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CORE LIST

NOVEMBER 1975

FEED Situation



TABLE 1 --CORN: MARKETING YEAR SUPPLY, DISAPPEARANCE, ACREAGE AND PRICES, 1969-75

[illegible]

1/ UNDER LOAN TO OR OWNED BY CCC; FOR YEARS PRIOR TO 1973 CCC'S INVENTORY DOES NOT INCLUDE QUANTITIES COMMITTED FOR SALE. 2/ PRELIMINARY. 3/ FORECAST; BASED ON OCTOBER 1975 INDICATIONS. 4/ EXCLUDES SUPPORT PAYMENT. 5/ AVERAGE EARNED ON TOTAL CORN PRODUCED. 6/ AVAILABLE FOR TOTAL FEED GRAINS ONLY. 7/ OCTOBER, 1975.

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Special Article—

ERS Analysts Butell and Womack Examine Factors that Influence
First Quarter Feed Demand for corn (page 19)

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SUMMARY

The large corn crop, forecast at a record 5.7 billion bushels as of October 1, and sharply larger crops of sorghum, oats, and barley than in 1974, are resulting in feed grain output 23 percent larger than last year. However, stocks at the beginning of 1975/76 were down to 16 million (short) tons, the smallest carryin since 1948/49. This puts the feed grain supply for 1975/76 at 219 million tons, 16 percent more than in 1974/75 but otherwise the smallest since the 209-million-ton level of 1970/71. At the same time, the number of animals consuming grain also is the smallest in recent years. But in 1975/76 there will be increases in domestic feeding, record large exports, and some recovery in carryover stocks.

After some hesitation during the summer, feeding of livestock and poultry is picking up in response to favorable relationships between product prices and feed costs. A continuing gain in the number of eggs set indicates that October-December broiler marketings may be about 10 percent above the reduced levels of late 1974 and should continue larger well into 1976. Hog producers, after reducing farrowings about 14 percent last summer and indicating a 7 percent reduction in September-

November, are expected to have 6 percent more sows farrow in December 1975-February 1976. Cattle feeders made intermittent increases in placements during the summer, but the numbers on feed stayed below year-earlier levels until October 1, when the inventory was up 2 percent due to very heavy placements in September.

Feed grain use for domestic livestock and poultry feeding will expand, perhaps ranging between 123-132 million short tons in 1975/76, up from 115 million in 1974/75. In view of the large Soviet purchases, exports likely will set a new record 48-52 million short tons, up from 39 million in 1974/75.

Feed grain prices likely will run somewhat lower in 1975/76 than in the past year. Corn prices at the farm may average between \$2.50 and \$3.00 per bushel, compared with about \$3.00 in 1974/75. Price levels at mid season will be heavily influenced by the outlook for 1976 crops.

In 1975/76, soybean meal prices in relation to corn prices likely will continue favorable for maximum use of meal in feeding rations. Consequently, soybean meal feeding likely will continue heavy relative to total concentrates fed.

Approved by Outlook and Situation Board
November 3, 1975

FEED SITUATION



FEED GRAINS

Dry Weather Cuts Yields and Harvested Grain Acreage

The pronounced dry period during July and early August has caused a number of corn producers to switch harvesting plans from grain to forage. Forecasts of harvested acreage have declined about 350,000 acres since early July, mainly in the drought afflicted States of Minnesota, South Dakota, Iowa, and Missouri. On balance, however, total harvested acreage of feed grain still is expected to be about 3 percent larger than last year's 101 million acres.

The dry weather in the western Corn Belt adversely affected yields, while weather in the eastern Corn Belt States was nearly ideal. Yield prospects are off 6 percent from the 2.1 tons per acre forecast in July.

As of October 1, the 1975 feed grain crop at 202 million short tons was 23 percent larger than last year's short crop. The sorghum and corn crops, which were hit hardest by 1974's weather blasts, have shown the greatest gains this year. Because of generally good weather, harvesting is running well ahead of normal. At the end of October the oats and barley crops were in and 91 percent of the sorghum and 82 percent of the corn harvests were completed.

Smaller Carryover But Larger Supply

Beginning stocks at 16 million tons were down for the third consecutive year to the lowest level since 1948/49.

With the larger feed grain crop and the smaller carryover stocks, the 1975/76 feed grain supply totals 219 million short tons, 16 percent larger than in 1974/75 but otherwise the smallest since 1970/71. With the supply reasonably set, the big question is how will it be distributed.

1974/75 Feed Use Lowest In 10 Years

High feed prices in relation to livestock, poultry, and dairy prices during most of 1974/75 (table 23) caused a sharp cutback in feeding operations last year. Cattle on feed were below year-earlier levels from the end of 1973 until very recently. Far-

rowings began to decline in mid-1971 and continued down at an accelerated rate when feed prices rose sharply in mid-1974. Although smaller than recent cutbacks, farrowings are now running around 7 percent below last fall. Substantial cutbacks in egg, broiler, and turkey production, as well as reduced feed concentrate usage by dairy-men, also contributed to the drop of nearly a fourth in 1974/75 feed use, to the lowest level in 10 years.

Largely as a result of these feeding cutbacks, feed grain prices in 1974/75 declined about a third from the highs of October and November 1974. However, July and August prices strengthened about a fifth, largely reflecting concern and uncertainty over the size of 1975 crops in the western Grain Belt and the very large grain purchases by the USSR.

Feeding Now Favorable But...

Reduced feeding and meat output is now being reflected in exceptionally strong livestock and poultry prices. Pork production in July-September was down 23 percent from a year earlier, and for calendar year 1975 likely will be the smallest since 1966. Prices of barrows and gilts rose sharply in mid-June, to an all-time high of around \$63 per cwt. Hog prices moved sharply lower in mid-October but still were \$10 or more per cwt. above a year earlier.

Broiler and turkey prices have followed the same course as hogs, rising more than usual in the late spring and early summer, partly because of supply adjustments but primarily because of high prices of pork, a competing meat.

Fed cattle prices strengthened in early May and choice steers at Omaha have been selling for \$47 or more per 100 pounds since. In spite of the sharp reductions in cattle feeding, beef production has been at record highs in 1975 because of sharp increases in slaughter of cows along with steers and heifers off ranges and pastures.

By early summer, livestock and poultry prices had risen enough to improve feeding margins, even with relatively high feed prices, to levels that generally have generated expansion of feeding operations in the past.

Broiler producers responded and July-September output was a little above a year earlier. Production expected to be a tenth higher in October-December and further gains are likely well into 1976.

Cattle feeders made intermittent increases in placements during the summer, but the number on feed and fed cattle marketings were still well below 1974. In spite of record high hog prices, hog producers reduced farrowings about 14 percent this summer and farrowings in September-November are expected to be down 7 percent from a year ago.

Around September 1 hog producers indicated intentions to have 6 percent more sows farrow in December 1975-February 1976. These intentions were developed when the price outlook during the summer was more uncertain so late spring farrowings could turn out even higher.

Cattle feeders have apparently overcome their earlier jitters—cattle on feed inventories on October 1 (23 States) were 2 percent above last year's level. This was the first quarter that cattle on feed were larger since October 1973. The turnaround apparently reflects extremely heavy placements in September when placements in the seven major States jumped 85 percent.

Demand Indicators Point to a Substantial Increase in 1975/76 Feeding

Placements of cattle on feed are expected to continue up this fall and into 1976, which will lead to more cattle feeding.

Farrowings in March-May 1976 could be up as much as a fifth from a year earlier. But pork production will continue below a year earlier through mid-1976, keeping prices of barrows and gilts well above a year earlier. This is likely to keep hog producers expanding their operations through most of 1976.

Broiler production in December likely will be up 10 percent and it appears that it will continue at that rate in 1976. Turkey production in October-December will be about 6 percent larger than a year earlier, and should be up substantially in the first half of 1976.

Feeding rates are another factor to consider in usage. They are usually associated with slaughter weights. Slaughter weights were down for all classes of animals during 1974/75, but improved feeding conditions suggest that animals may be fed to heavier weights in 1975/76.

These demand indicators point to 1975/76 feed grain use for feeding ranging between 123-132 million short tons, which would be up about 7-15 percent from 1974/75.

Exports Likely to be Record Large; Carryover Up

Exports are expected to be a sixth to a third more than the 1974/75 level of 39 million tons. While much of this increase stems from the situation in the Soviet Union, it appears that feed demand is also up in some importing countries, such as Eastern Europe and Japan. Even with record exports and increased feeding, there would still be a moderate increase in carryover stocks to 21-24 million tons, compared with the 16 million tons at the end of 1974/75.

We look for feed grain prices to average somewhat lower in 1975/76 at these estimated levels of supply and disappearance.

New Marketing Year Proposed for all Grains Except Corn

USDA is proposing to change the marketing years for oats, barley, rye, flaxseed, and sorghum to June 1 through May 31 in order to more nearly correspond with harvesting schedules in the major producing areas.

These changes would be effective with the marketing year starting June 1, 1976. Presently, the marketing years are July 1 to June 30 for oats, barley, rye, and flaxseed and October 1 to September 30 for sorghum. Prompting this adjustment is the desire to have the marketing years for these crops match the new June 1-May 31 wheat marketing year enacted by Congress. The previous marketing year for wheat was July 1 to June 30.

USDA expects to continue to publish wheat supply, utilization, and price data based on the old July 1 through June 30 marketing year until June 1, 1976, when its reports will shift to the new dates. At that time, the farm and off-farm stocks estimates for wheat, oats, barley, rye, flaxseed, sorghum, corn, and soybeans will be shifted from July 1 to a June 1 reporting date.

The changes in marketing years for oats, barley, sorghum, rye, and flaxseed are only under consideration. Reactions to these proposals may be made to the Director of Agricultural Economics, U.S. Department of Agriculture, Washington, D.C. 20250, and should be received not later than December 1.

These changes will be discussed more fully in the next issue of the *Feed Situation*.

WORLD SITUATION AND OUTLOOK

World Coarse Grain Output Larger but Disappointing

The world 1975 coarse grain crop is no longer expected to reach a record high, but at about 590 million metric tons will exceed last year's output by 3 percent. Production shortfalls in many of the

major grain feeding countries—especially the USSR and Western Europe—are forcing adjustments in the form of stock drawdowns, reduced feeding, or increased imports. The anticipated increase in world feed grain stocks has been blocked by the above declines and shorter supplies in the United States.

Table 2 .--Grain production (excluding rice) and trade (July-June) for selected countries, 1972/73-1975/76

UNITED STATES				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
	Million metric tons			
<u>Production</u>				
Wheat	42.0	46.4	48.8	58.2
Coarse grain	182.0	186.6	150.3	184.0
Total	224.0	233.0	199.1	242.2
<u>Trade</u>				
<u>Exports</u>				
Wheat	31.8	31.1	28.0	33.7
Coarse grain	35.4	43.6	34.6	43.3
Total	67.2	74.7	62.6	77.0
<u>Imports</u> (Negligible)				

1/ Preliminary. 2/ Projected.

CANADA				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
	Million metric tons			
<u>Production</u>				
Wheat	14.5	16.5	13.3	17.0
Coarse grain	18.8	18.4	15.6	17.5
Total	33.3	34.9	28.9	34.5
<u>Trade</u>				
<u>Exports</u>				
Wheat	15.6	11.7	11.1	13.0
Coarse grain	4.0	2.7	2.7	3.1
Total	19.6	14.4	13.8	16.1
<u>Imports</u> (Negligible)				

1/ Preliminary. 2/ Projected.

SOUTH AFRICA				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
	Million metric tons			
<u>Production</u>				
Wheat	1.7	1.9	1.6	1.6
Coarse grain	4.5	11.9	10.2	9.7
Total	6.2	13.8	11.8	11.3
<u>Trade</u>				
<u>Exports</u>				
Wheat	0.4	0.4	0.1	---
Coarse grain	0.2	3.4	3.7	3.6
Total	0.6	3.8	3.8	3.6
<u>Imports</u> (Negligible)				

1/ Preliminary. 2/ Projected.

ARGENTINA				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
	Million metric tons			
<u>Production</u>				
Wheat	6.9	6.6	5.7	7.7
Coarse grain	15.7	17.0	13.0	16.4
Total	22.6	23.6	18.7	24.1
<u>Trade</u>				
<u>Exports</u>				
Wheat	3.4	1.1	2.2	2.8
Coarse grain	4.2	8.2	8.5	6.4
Total	7.6	9.3	10.7	9.2
<u>Imports</u> (Negligible)				

1/ Preliminary. 2/ Projected.

BRAZIL				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
	Million metric tons			
<u>Production</u> 3/				
Wheat	0.7	1.9	2.8	3.1
Coarse grain	14.2	15.6	15.4	17.3
Total	14.9	17.5	18.2	20.4
<u>Trade</u>				
<u>Exports</u>				
Wheat	---	---	---	---
Coarse grain	0.1	1.3	0.6	2.1
Total	0.1	1.3	0.6	2.1
<u>Imports</u>				
Wheat	3.0	2.7	2.2	2.0
U.S. share	1.2	1.6	0.6	1.4
Coarse grain	---	---	---	---
U.S. share	---	---	---	---
Total	3.0	2.7	2.2	2.1
Total U.S. share	1.2	1.6	0.6	1.4

1/ Preliminary. 2/ Projected. 3/ October-September year.

THAILAND				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
	Million metric tons			
<u>Production</u>				
Wheat	---	---	---	---
Coarse grain	1.4	2.5	2.7	3.3
Total	1.4	2.5	2.7	3.3
<u>Trade</u>				
<u>Exports</u>				
Wheat	---	---	---	---
Coarse grain	1.1	2.3	2.2	2.7
Total	1.1	2.3	2.2	2.7
<u>Imports</u> (Negligible)				

1/ Preliminary. 2/ Projected.

Table 2.--Grain production (excluding rice) and trade (July-June) for selected countries,
1972/73-1975/76

USSR				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
Million metric tons				
<u>Production</u>				
Wheat	86.0	109.8	83.8	75.0
Coarse grain	82.2	112.7	111.8	85.0
Total	168.2	222.5	195.6	160.0
<u>Trade</u>				
<u>Exports</u>				
Wheat	1.3	5.0	4.0	1.5
Coarse grain	0.4	0.9	0.5	0.5
Total	1.7	5.9	4.5	2.0
<u>Imports</u>				
Wheat	14.9	4.4	2.4	14.0
U.S. share	9.5	2.7	1.0	
Coarse grain	5.9	6.1	2.5	13.0
U.S. share	3.9	4.6	1.3	
Total	20.8	10.5	4.9	27.0
Total U.S. share	13.4	7.3	2.3	

1/ Preliminary. 2/ Projected.

EUROPEAN ECONOMIC COMMUNITY				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
Million metric tons				
<u>Production</u>				
Wheat	41.4	41.4	45.2	38.5
Coarse grain	60.9	63.4	62.1	59.4
Total	402.3	104.8	107.3	97.9
<u>Trade</u>				
<u>Exports</u>				
Wheat	11.8	11.6	11.7	11.2
Coarse grain	11.0	13.7	10.7	11.8
Total	22.8	25.3	22.4	23.0
<u>Imports</u>				
Wheat	12.1	11.8	9.5	10.6
U.S. share	1.7	1.7	1.8	
Coarse grain	23.1	26.8	24.4	24.7
U.S. share	6.6	10.9	11.0	
Total	35.2	38.6	33.9	35.3
Total U.S. share	8.3	12.6	12.8	

1/ Preliminary. 2/ Projected.

EASTERN EUROPE				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
Million metric tons				
<u>Production</u>				
Wheat	30.7	31.5	34.1	29.5
Coarse grain	55.2	54.0	54.8	55.2
Total	85.9	85.5	88.9	84.7
<u>Trade</u>				
<u>Exports (negligible)</u>				
<u>Imports</u>				
Wheat	4.7	5.3	4.6	4.5
U.S. share	1.6	0.9	0.1	
Coarse grain	5.0	3.5	5.9	6.8
U.S. share	1.2	1.2	2.0	
Total	9.7	8.8	10.5	11.3
Total U.S. share	2.8	2.1	2.1	

1/ Preliminary. 2/ Projected.

JAPAN				
Item	1972/73	1973/74	1974/75	1975/76
	1/	2/	1/	2/
Million metric tons				
<u>Production</u>				
Wheat	0.3	0.2	0.2	0.2
Coarse grain	0.4	0.3	0.3	0.3
Total	0.7	0.5	0.5	0.5
<u>Trade</u>				
<u>Exports (negligible)</u>				
<u>Imports</u>				
Wheat	5.5	5.4	5.4	5.7
U.S. share	3.4	3.1	3.1	
Coarse grain	11.9	14.0	13.1	13.2
U.S. share	8.4	10.2	7.2	
Total	17.4	19.4	18.5	18.9
Total U.S. share	11.8	13.3	10.3	

1/ Preliminary. 2/ Projected.

OTHER WESTERN EUROPE				
Item	1972/73	1974/75	1974/75	1975/76
	1/	2/	1/	2/
Million metric tons				
<u>Production</u>				
Wheat	10.0	9.4	11.3	10.4
Coarse grain	19.5	19.4	22.0	22.6
Total	29.5	28.8	33.3	33.0
<u>Trade</u>				
<u>Exports</u>				
Wheat	0.9	0.6	1.4	1.0
Coarse grain	1.0	0.2	0.7	0.7
Total	1.9	0.8	2.1	1.7
<u>Imports</u>				
Wheat	1.1	1.5	1.2	1.0
U.S. share	0.5	0.7	0.3	
Coarse grain	6.1	8.5	8.6	7.4
U.S. share	0.1	4.9	4.7	
Total	7.2	10.0	9.8	8.4
Total U.S. share	0.6	5.6	5.0	

1/ Preliminary. 2/ Projected.

WORLD				
Item	1972/73	1974/75	1974/75	1975/76
	1/	2/	1/	2/
Million metric tons				
<u>Production</u>				
Wheat	339.9	368.4	350.3	348.6
Coarse grain	359.4	608.2	570.6	589.9
Total	899.3	976.6	920.9	938.5
<u>Trade</u>				
<u>Exports</u>				
Wheat	72.7	68.7	68.0	73.0
Coarse grain	53.8	77.5	68.9	78.6
Total	136.5	146.2	136.9	151.6
<u>Imports</u>				
Wheat	72.7	68.7	68.0	73.0
U.S. share	31.8	31.1	28.0	
Coarse grain	53.8	77.5	68.9	78.6
U.S. share	35.4	43.6	34.6	
Total	136.5	146.2	136.9	151.6
Total U.S. share	57.2	74.7	62.6	

1/ Preliminary. 2/ Projected.

Canadian Output Rebounds

Canada's 1975 coarse grain harvest is estimated at 18 million tons, an increase of 1 million tons over the August 15 estimate and around 12 percent better than 1974's poor crop. August and early September rains aided critically dry areas. Canadian feed use in 1975/76 is expected to increase 5 to 10 percent to about 13 million tons. Like the situation in the United States, feeding will still be at a lower level than in the early 1970's.

Soviet Grain Crop Estimate Reduced to 160 Million Tons; Coarse Grains to 73 Million

On October 24 USDA reduced its estimate of 1975 USSR grain production to 160 million metric tons, reflecting a lower than previously estimated harvest in Kazakhstan—one of the main spring grain producing regions of the Soviet Union.

At 160 million tons, the Soviet grain crop would be about 35 million below that of 1974, and approximately 55 million below the original level planned for the 1975 crop.

The revised estimate of 160 million tons includes a 7-million-ton reduction since October 9 in the wheat crop estimate to 75 million, and a 2-million-ton reduction in the coarse grain estimate to 73 million. The miscellaneous grain estimate is 12 million tons, a reduction of 1 million.

The latest revisions suggest that there will be a significant downward adjustment of grain usage within the Soviet Union in 1975/76. Feed usage, in particular, may be cut by at least 5 percent from the 1974/75 level of 106 million tons.

Effects of the drought on Soviet livestock numbers began to appear in July and became more noticeable in August. The livestock feed base deteriorated and higher-than-usual numbers of livestock, primarily hogs and poultry, were slaughtered, apparently to conserve available feed and grain supplies. As of September 1, total cattle in the socialized sector continued to show gains from a year earlier, but hog and poultry numbers fell 6 and 3 percent, respectively, from a year earlier.

Based on the likely continuation of lower Soviet feed supplies, especially grain, in the coming months, slaughter rates of hogs and poultry are expected to remain high for the remainder of this year. Thus, end-of-year inventories of hogs and poultry on December 31, 1975 will probably be somewhat below those of a year earlier.

Total grain imports for the current July-June season are projected at about 27 million tons, while exports now seem likely to be no more than about 1 million tons. Imports of grain into the Soviet Union to offset this year's crop shortfall will probably continue into the early months of 1976/77 as was the case for 1972/73 and 1973/74. For the 15-month period, July 1975 through September 1976,

total USSR grain imports may be somewhat over 30 million metric tons.

Purchases of foreign grain by the USSR for shipment during July 1975 through September 1976 have reportedly already reached about 23 or 24 million metric tons, including about 11 million from the United States.

Eastern Europe's Wheat and Coarse Grain Output Down 5 Percent

The region's wheat and coarse grain output for 1975 is estimated at 85 million tons, down 5 percent from 1974. The 1975 coarse grain crop is estimated at 55 million tons and the wheat crop at 30 million tons. The 4-million-ton loss in this year's crop may be partially compensated for by a downward trend in hog and poultry inventories, better results from forage production, an expected average potato crop, improved feeding efficiency, and a shift from concentrate feeding to grazing.

Midyear livestock inventory reports point to a slowdown in the rate of increase and to declines in some categories for the region. The increase in cattle population was highest in Bulgaria and Yugoslavia, 6 and 3 percent, respectively. Czechoslovakia reported a slight decline. In Hungary, the number of hogs declined close to 10 percent. In Poland, farmers reduced their private stock, more than offsetting the stock increase in the Socialist sector. Bulgaria, East Germany, and Poland report a 4-5 percent increase in sheep numbers, reflecting a response to strengthened demand for mutton in the Middle East and for wool in the world market. Poultry numbers declined more than 5 percent in Czechoslovakia and 3 percent in Bulgaria.

Western Europe's Coarse Grain Crop Down Slightly

Western Europe's coarse grain crop is estimated at 82 million tons for 1975, down 3 percent from 1974. The decline in production is mostly a result of poor weather—generally too much rain at planting time and drought later on in the season. Coarse grain production, while down in the EC, should be up by about 1 million tons in the non-EC countries due largely to a record barley harvest in Spain. The shortfall in the region's grain crop will be offset in part by large carryover stocks.

Coarse Grain Crops Projected to be Down in South Africa and Australia, Up in Argentina

South Africa's coarse grain crop that will be harvested next April is projected at 10 million tons, down 5 percent from 1974/75. South Africa's coarse grain exports for 1975/76 are estimated at 4 million tons, about a tenth above last year's level.

Argentina's coarse grain harvest this winter and next spring is projected at 16 million tons, up

26 percent from 1974/75. Because of the smaller harvest last season, Argentine exports for July-June, 1975/76 are estimated at 6.4 million tons, down 25 percent from 1974/75.

Australia's prospective coarse grain harvest has been revised down to near last year's level of 4.7 million tons because of adverse weather.

PRC and India's Production Up

The People's Republic of China (PRC) and India together produce around 70 percent of Asia's coarse grain production and around 10 percent of world output. The PRC's coarse grain production for 1975 is estimated to be up around 5 percent over 1974. Water conservancy, other farmland improvements, and increased inputs have been major factors in increasing crop production this year. India's 1975 coarse grain production rebounded this year to an estimated 30.4 million tons, up 23 percent over 1974's poor harvest. While production gains in India will be impressive, grain import needs, particularly for wheat, will remain strong.

1975/76 Trade Larger: USSR Purchases Highlight the Scene

World coarse grain trade for 1975/76 (July-June) is likely to be around 10 million tons more than in 1974/75 and near the record high 78 million tons in 1973/74. The major development on the import side is the increased USSR demand from 2.5 million tons for 1974/75 (July-June) to *13 million tons for 1975/76*. On the export side, shipments may be slightly larger for Canada, South Africa, Thailand, and Western Europe. U.S. shipments, which account for well over half of the world trade, are expected to be up substantially—perhaps as much as 9 million tons over 1974/75.

World Prices Rise in Wake of USSR Purchases

U.S. c.i.f. Rotterdam corn prices moved down during September-October, coinciding with the early record large U.S. harvest. U.S. yellow corn prices lagged behind Argentine plate (corn) by around 70 cents during the summer, but during September and October the spread between the two declined. The wide price differential may have been partially due to the lower quality of last year's U.S. crop, but as the high quality of the 1975 crop became evident, the differential narrowed.

(William F. Hall) Based on FAS, World Grain Situation: Outlook for 1975/76, FG 12-75, October 7, 1975 and ERS World Agricultural Situation, WAS-8 October 1975.

U.S. - USSR Grain Agreement Reached

Agreement has been reached between the United States and the USSR on purchases of U.S. wheat

and corn by the USSR for a 5-year period beginning October 1, 1976.

The agreement provides that the USSR will buy 6 million metric tons of U.S. grown wheat and corn, in approximately equal proportions, for shipment in each 12-month period beginning October 1, 1976. Purchases will be at prevailing market prices with normal commercial terms.

The USSR may buy up to 2 million metric tons more in any 12-month period without consultation with the U.S. Government unless USDA estimates the grain supply (carryin stocks plus forward crop estimate for the coming crop year) will be below 225 million metric tons. When the U.S. grain supply falls below 225 million metric tons, the United States may reduce the quantity of wheat and corn available for purchase by the USSR.

The agreement calls for periodic consultations whenever the USSR wants to buy more grain or the United States wants to sell more grain than provided under the terms of the agreement.

CORN

Production Up 23 percent and a Record But—

The Nation's 1975 corn crop, estimated at 5.7 billion bushels on October 1, would be almost a fourth larger than last year's weather-shortened crop, and only slightly more than the 5.6-billion-bushel crops seen in 1971, 1972, and 1973. But to borrow a phrase from the November 1974 *Wheat Situation* in talking about the 1974 wheat crop, "What once appeared to be a large crop in the making may turn out to be a harvest of only modest proportions."

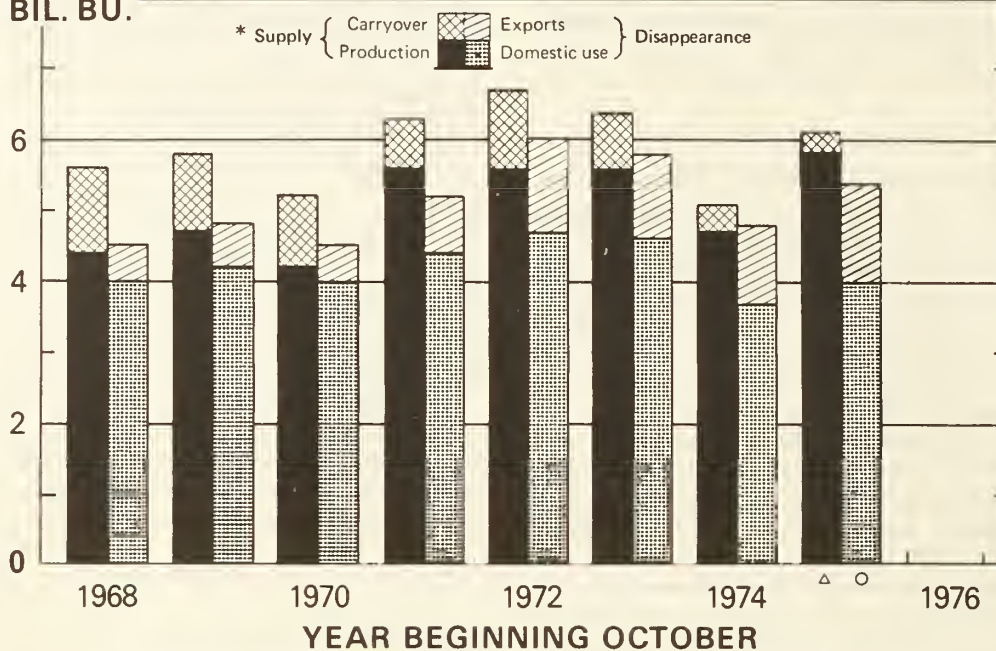
The corn harvest has progressed rapidly, with over 80 percent of the crop combined through the end of October. Prospective yields vary widely by State and areas. In the eastern Corn Belt, almost ideal weather is expected to bring in an average yield of 101 bushels per acre, only 1 bushel below the record 102-bushel-average in 1972. But in the western Corn Belt, dry weather lowered yield prospects to 79 bushels, 11 bushels more than 1974 but otherwise the lowest since 1970.

When relating this fall's market prices to production, farmers in the eastern Corn Belt appear to have good income opportunities for the second year in a row. Although much improved from 1974, farmer incomes from corn in the western Corn Belt will again lag those of the eastern portion because of lower yields.

With the October 1 carryover down to a low 359 million bushels, the corn supply for the 1975/76 marketing season will total around 6.1 billion bushels, 19 percent above 1974/75 but well below the peak 6.7 billion reached in 1972/73.

CORN SUPPLY AND DISAPPEARANCE

BIL. BU.



* INCLUDES SMALL VOLUME OF IMPORTS.

△ FORECAST.

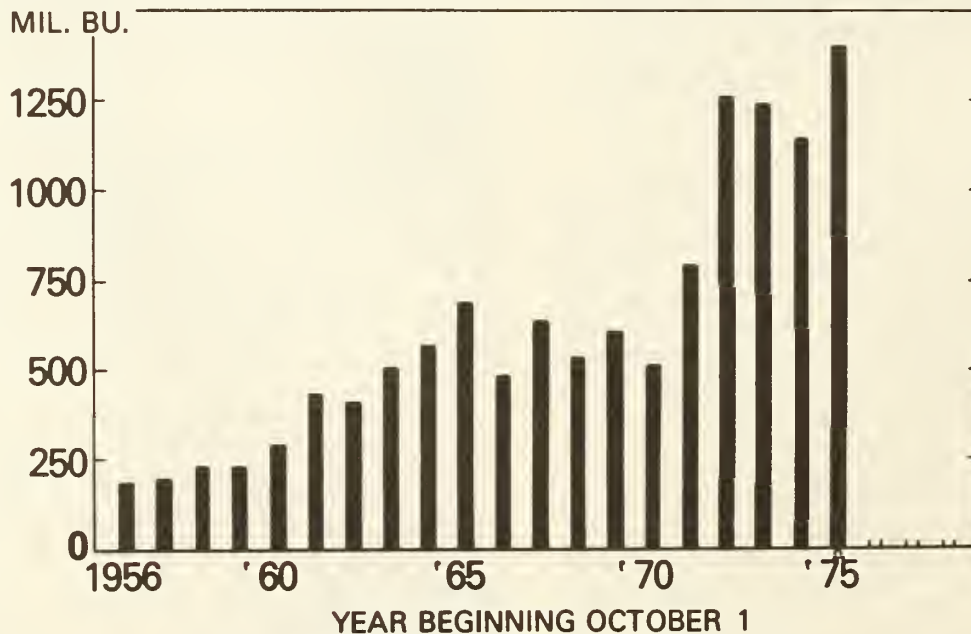
○ MIDPOINT OF PROJECTED RANGES.

USDA

NEG. ERS 384-75 (10)

U.S. CORN EXPORTS

MIL. BU.



△ AUGUST INDICATIONS: MID-POINT OF PROJECTED RANGES

USDA

NEG. ERS 2200 - 75 (10)

More Corn Eaters on the Way; Extent of Recovery Hinges on Feeding Margins and Biology

Although conditions for feeding livestock and poultry have improved since early summer, feeders showed some reluctance to make expansion commitments after unfavorable feeding experiences in 1974 and part of 1975. Livestock feeders are looking for more assurance of favorable returns before substantially stepping up animal placements and expanding herds and flocks.

Cash corn farmers should be aware of the importance of the U.S. feeding industry, which still remains their major market outlet. Domestic feed use makes up approximately 70 percent of the total demand for corn. In 1974/75, the domestic feeding industry throttled down feed use by reducing both animal numbers and feeding rates in response to short and poor distribution of supplies, and initially high feed costs that contributed to negative feeding margins. Consequently, Chicago corn slid from almost \$4 a bushel in the fall of 1974 to below \$2.75 in February 1975.

It will take considerable time to rebuild the livestock production base of feed demand. Even with abundant feed supplies, if producers decided to go for all-out expansion, it would take more than a year for feed use by beef and pork producers to reach peak levels of 2 years ago. Broiler production may approach capacity at times in 1975/76 but this industry normally uses less than 10 percent of total domestic feed.

Domestic feed use of corn in 1975/76 is projected at 7 to 15 percent above the squeezed feeding in 1974/75. This is short of feeding levels before last season's drop. In view of current strong feed costs and uncertainties in livestock product prices, it would appear that greatest relative increases in 1975/76 feed consumption will come late in the marketing season. But the possible seasonal pattern continues to be an "iffy" question because weather at planting time next spring and the general level of livestock prices at that time will also influence feed markets. Barring any unusual disturbances in the feed market, a significant expansion in feed use could be underway by next spring. But if events develop that fuel higher and widely fluctuating feed markets, perhaps only a modest increase in feeding would be underway.

Exports Appear Headed for Another Banner Year

U.S. corn exports for 1975/76 are projected at 1.4 to 1.5 billion bushels, well above the 1.15 billion bushels shipped in 1974/75. Deterioration of the Soviet grain crop and declining crop prospects in both West and East Europe will boost world grain trade in 1975/76. The big news on the world scene has been reported USSR purchases of 20-25 million

metric tons of grain in the wake of a shortfall of about 55 million tons in the Soviet's production goal. As of October 19, the Soviets had purchased about 275 million bushels of U.S. corn, and are expected to be in the U.S. market for additional quantities—perhaps 100 to 150 million bushels.

Although not a U.S. customer of long standing, the USSR is becoming a steady purchaser of U.S. corn. In 1971/72, 1972/73, and 1973/74, Soviet imports of U.S. corn totaled 136, 132, and 139 million bushels, respectively. During September 1974, the USSR purchased around 90 million bushels for 1974/75, but because of the short U.S. crops, this was rescinded and eventually limited to about 40 million bushels.

U.S. corn export bookings to countries other than the USSR are lagging behind those at this time last year, probably because more importers are buying on a hand-to-mouth basis. In contrast to 1974/75, domestic supplies are larger and there appears to be less concern about export controls. As of October 19, cumulative exports and outstanding sales to all countries totaled 664 million bushels, almost 40 percent below a year earlier.

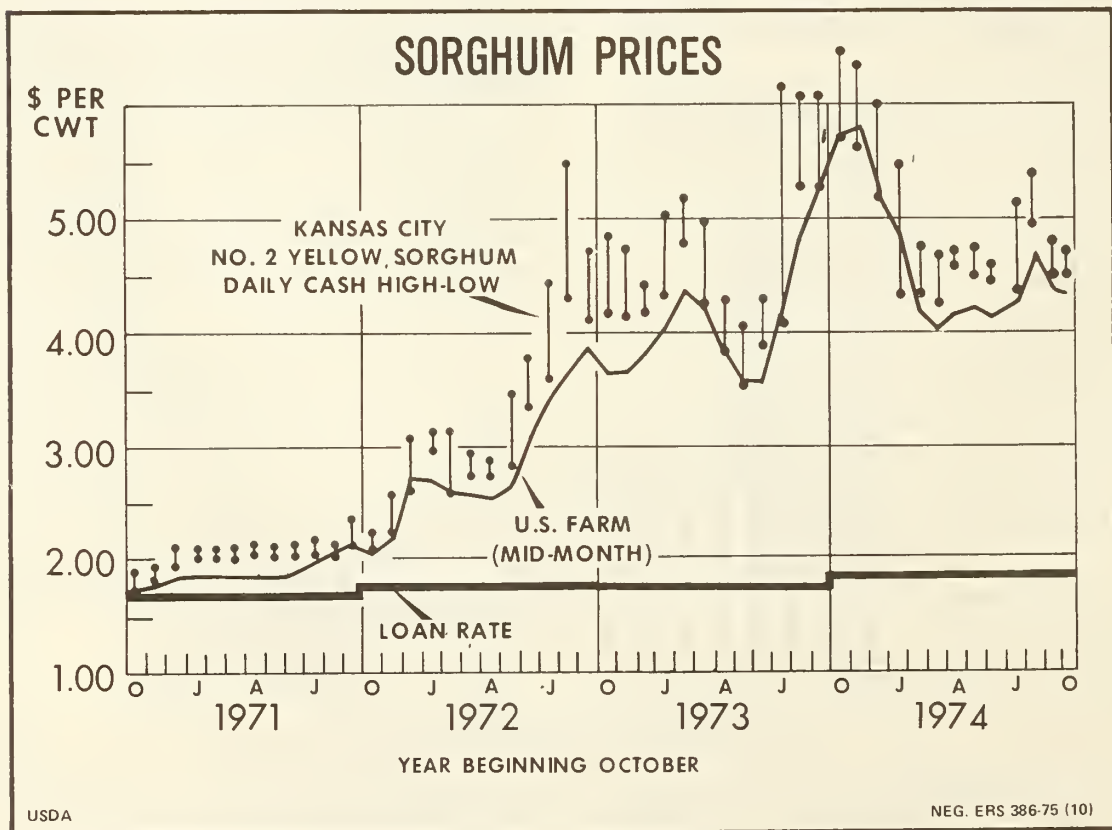
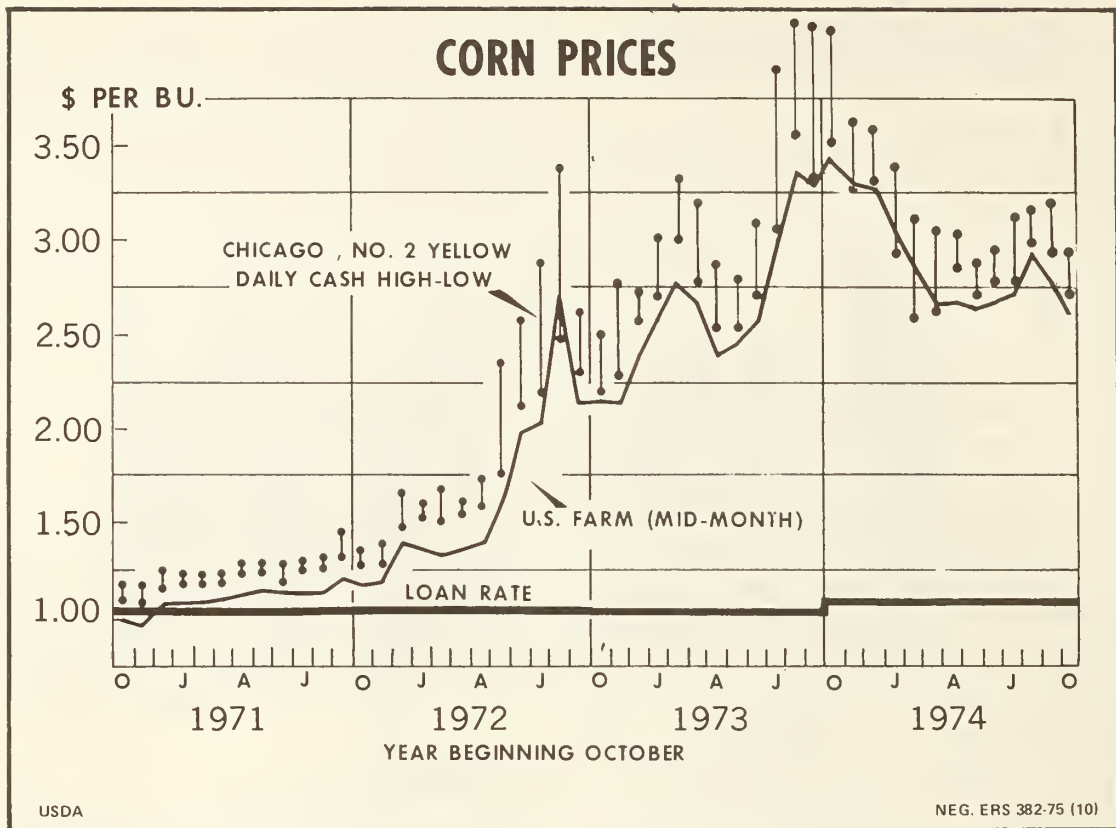
Fourth Consecutive Year of Strong Price Levels

Farmers again have early opportunities of reasonably good corn prices because of tight supplies and strong demand from abroad. In late October, Chicago corn was running in the area of \$2.50 per bushel, about 35 cents under a soft market early last summer. Farmers received a record high season average price for their 1974 corn of about \$3 per bushel, about 40 cents above the previous high in 1973. The average season price for the 1975 crop is projected to average 5 to 15 percent below the 1974 level. This price projection hinges on the current supply forecast of 6.1 billion bushels and projected demand of 5.5 billion and assumes average weather for the 1976 crop.

Although prices may average lower in 1975/76, cash receipts will be much higher than in 1974/75 because of the increased volume of marketings. Assuming that corn sales are about 63 percent of production (as they were in 1974) and prices average around \$2.75 per bushel, cash receipts would total about \$9.9 billion, substantially more than the \$8.6 billion estimated in 1974/75. The higher returns will help to cover production costs which have risen dramatically since 1972.

Looking at Potential Price Patterns

The 1974/75 price movements were extremely wide and generally followed a contraseasonal pattern as the domestic feeding industry made very sharp downward adjustments early in the season. The 1974/75 experience demonstrated that over the



course of the season there is an upper limit to feed prices when costs and returns of domestic feeding are unfavorable.

Prices during this October-November should pretty much set the general level until next May and also may influence the seasonal pattern. Prices for livestock and poultry and developments in export demand will largely influence the market once the crop is in the bin. If corn (No. 2 basis) at the farm drops below \$2.50 per bushel at peak harvesttime, which it apparently has, there is a good chance of some seasonal runup if livestock feeding increases as expected. This year's large supply of wheat plus an abundant supply of soybeans will help prevent any sustained runup in corn prices.

But if prices should suddenly shoot up rapidly, some livestock producers may have second thoughts about buying and feeding corn. Consequently, prices could begin to drop early in 1976, especially if spring weather is normal for planting 1976 crops. With relatively good corn prices this fall, many hog producers who grow their own feed may continue to haul a large portion of their corn to the market instead of feeding it. This would increase the commercial supply which could have a dampening effect on the market later in the feeding year.

However, more pork-corn producers are making plans to feed more corn as December-February farrowing intentions were up 6 percent. Moreover, if fed cattle prices this winter and spring are as high as futures indicate, and if feed costs stay reasonable, cattle feeders will likely continue to step up their feedlot placements.

Although the corn marketing year begins in October, the heavy harvest period, one might consider that the price year begins in May, the start of planting, so long as production remains at 90 percent or more of the supply. Good weather next spring would contribute to a steadier market, while adverse weather could induce market nervousness.

FLASH—New Sites for Delivery of Corn Futures Contracts

In late October, the Chicago Board of Trade announced that corn futures contracts will be deliverable at Toledo and St. Louis effective December 1976. The December 1976 futures contracts begin to trade October 6 on the Exchange. The announcement followed approval by the Commodity Futures Trading Commission. Present futures contracts through September 1976 will remain subject to delivery at Chicago terminals. Under the new change in futures contracts, corn will be delivered to Toledo and St. Louis areas at a discount of 4 cents a bushel under the contract price.

SORGHUM

Supplies Tight; Prices Strong Relative to Corn

This year's sorghum crop is forecast at 776 million bushels, almost a fourth more than last year's drought shortened harvest.

As of late October 91 percent of the sorghum crop had been harvested, well above the usual 73 percent for that date. Yields in Texas were forecast at 57 bushels per acre, only 3 bushels below the record in 1973. Yield prospects in Nebraska (54 bushels) and Kansas (45 bushels) were up 21 and 5 bushels, respectively, from 1974. But the dry weather this past summer in the two States will hold yield 18 and 17 bushels, respectively, below the records in 1972.

Although production will be large, total supplies continue below a billion bushels because of "rock bottom" carryover stocks. In 1975/76 it appears that the entire sorghum crop will be used, once again making sorghum supplies the "tightest" of all the feed grains. But a record large corn harvest of 116 million bushels in Texas will help to ease the tightness in sorghum supplies.

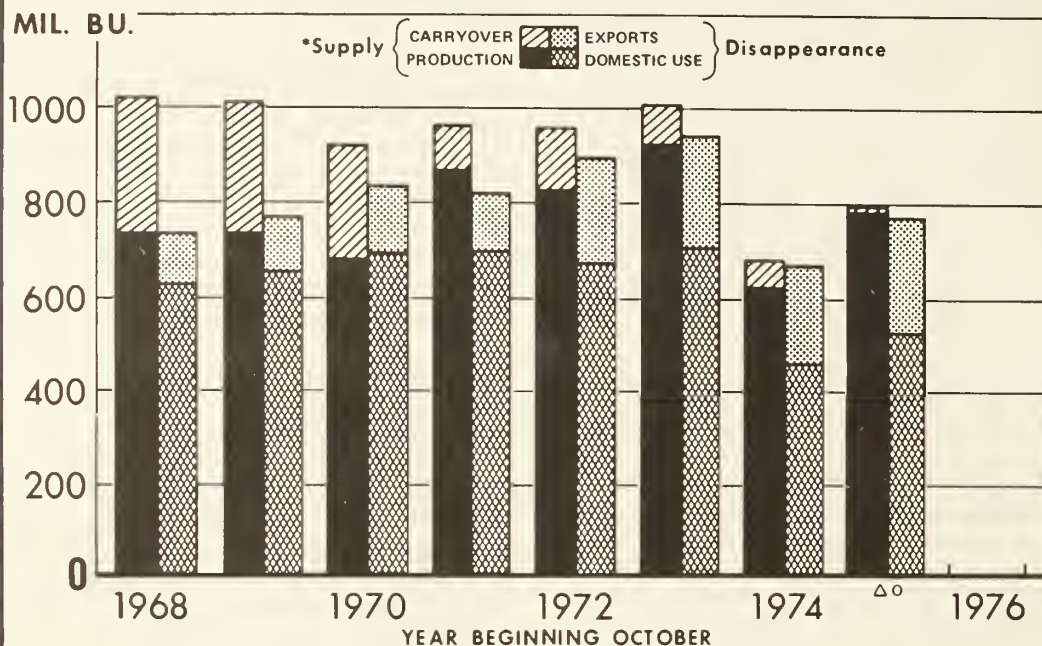
Domestic feeding of sorghum is projected at 10 to 20 percent above the low volume consumed in 1974/75. Cattle placed on feed during July-September in States that produce and consume the bulk of the sorghum crop were up sharply from 1974. The increased placements, stronger cattle prices, relatively more sorghum available in the Plains States, and continued low wheat feeding would support increased sorghum feeding in 1975/76. However, if export demand continues strong and sorghum prices are high relative to corn prices, more corn than normal may be fed in States producing sorghum.

The carryover of 35 million bushels on October 1, larger than expected, plus heavy exports of

Cattle on feed in selected Western States

State	October 1, 1975	Change from October 1—	
		1974	1973
	1,000 head	Percent	Percent
California	876	-9	-29
Arizona	397	+14	-30
New Mexico	130	-24	-43
Texas	1,488	-7	-36
Oklahoma	239	+13	-23
Kansas	1,150	+28	-3
Nebraska	1,060	+2	-26
Colorado	735	+7	-21
Total or average ..	6,075	+3	-26

GRAIN SORGHUM SUPPLY AND DISAPPEARANCE



△ FORECAST

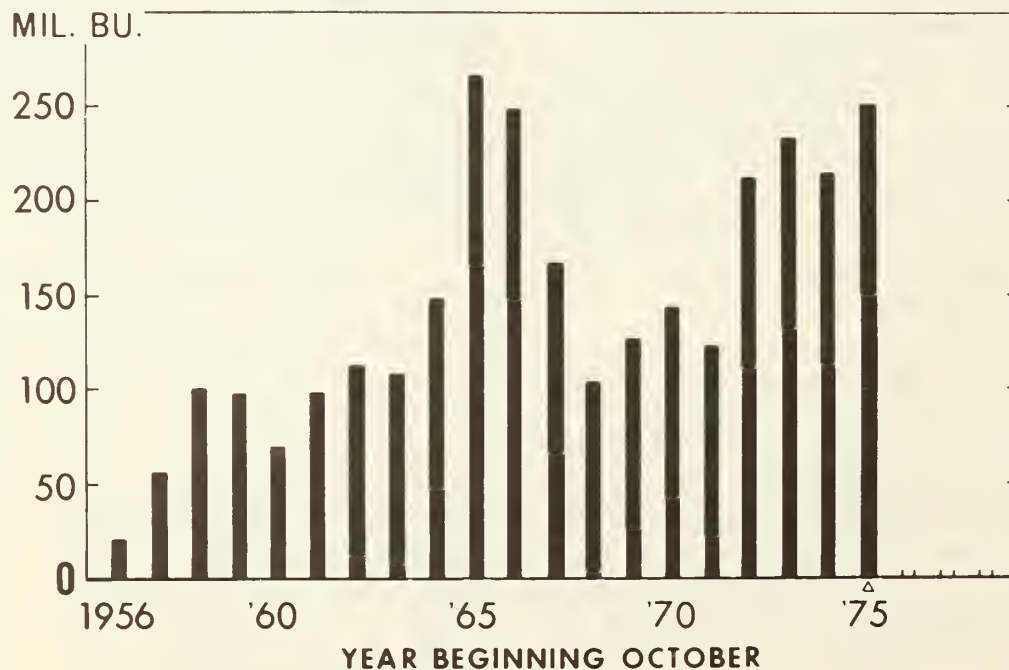
○ MID-POINT OF PROJECTED RANGES

*TOTAL SUPPLY DOES NOT INCLUDE IMPORTS

USDA

NEG. ERS 385 - 75 (10)

U.S. SORGHUM EXPORTS



△ AUGUST INDICATIONS MID-POINT OF PROJECTED RANGES

USDA

71 million (mostly new crop sorghum) during July-September, indicated there was greater than usual use of new crop sorghum for feeding and export in that quarter this year (table 11). In reality, there always is more sorghum fed in July-September and always less fed in October-December than the statistical accounting system based on the October-September marketing year shows. On balance, a fair comparison of feed use can only be made in the July-December period. This problem would be alleviated with the shift of the marketing year to June-May which is currently being proposed by USDA for 1976/77.

Sorghum exports are projected between 250 and 300 million bushels, well above the 212 million bushels shipped in 1974/75. Stronger demand by the European Community, Eastern Europe, and India will account for most of the increase. Exports to Japan may hold near the 1974/75 level of about 100 million bushels.

U.S. sorghum exports			
Country of destination	October-September		
	1972/73	1973/74	1974/75
	Million bushels		
Japan	107.1	117.7	76.8
Israel	27.4	23.1	24.0
Venezuela	13.1	16.4	19.5
Mexico	4.2	10.6	27.5
Netherlands	5.3	22.3	16.1
India	27.5	12.1	3.5
Columbia	2.3	.8	(¹)
Senegal	2.4	2.3	.2
West Germany	2.9	2.1	3.6
Norway	3.0	3.8	4.7
Niger	1.4	4.2	.6
Other	15.6	18.7	35.5
Total	212.2	234.1	212.0

¹ Less than 500,000 bushels.

Sorghum prices are beginning to edge a little above their usual relationship of 88 to 92 percent of corn. Kansas City sorghum in late-October was quoted at \$4.30 per cwt., off about 85 cents from mid-August nearly \$2 below a year ago. With the peak of crop combining past, sorghum prices may be near their harvesttime low, and may begin to inch up seasonally by December. Sorghum prices are largely influenced by corn and to some extent by hard red winter wheat prices. Winter wheat seedings in the Southern Plains States were delayed because of dry weather.

OATS

The 1975 oat crop is forecast at 678 million bushels, 9 percent more than the 1974 crop of 621 million bushels. The larger crop is due both to a

larger number of acres harvested, 13.9 million compared with 13.3 million, even though planted acreage was smaller in 1975, and to better yields. Yield of oats per harvested acre is expected to average 48.6 bushels in 1975, 2 bushels more than in 1974.

However, the increase in the oat harvest was not able to fully offset the sharp drop in carryover stocks, which on July 1 were down to 185 million bushels, lowest since 1948/49. The oat supply for 1975/76 is 863 million bushels, compared with 876 million bushels in 1974/75.

Oat usage likely will be about the same in 1975/76, so carryover stocks are expected to be even smaller at the end of the marketing year. Domestic use likely will range between 665-725 million bushels, compared with 680 million in 1974/75; exports are likely to be 20-30 million bushels, up from 11 million.

In July-September, the first quarter of 1975/76, total disappearance of oats was 221 million bushels, virtually the same as a year earlier. Domestic use for feed was 204 million bushels, down 4 million, and food, seed and industry use was 14 million bushels, up 1 million. Exports were 3 million bushels, the same as a year earlier.

Oat prices at the farm averaged \$1.50 per bushel in 1974/75. In 1975/76, prices may average \$1.30-\$1.60. Prices at the farm averaged \$1.45 per bushel in July, \$1.44 in August, \$1.45 in September, and \$1.41 in October.

BARLEY

The 1975 barley crop is estimated at 381 million bushels, nearly a fourth larger than the 1974 crop. But because carryover stocks at the beginning of 1975/76 were down to only 76 million bushels from the relatively low level of 119 million the year before, the 1975/76 barley supply is 477 million bushels, only 30 million bushels above 1974/75.

Utilization of barley is likely to range between 390-410 million bushels in 1975/76, compared with 371 million bushels in 1974/75. Domestic feeding likely will take 170-210 million bushels, compared with 175 million. Barley used for food, seed, industry may be around 160 million bushels, up slightly from 156 million. Exports may total 40-60 million bushels, compared with 40 million in 1974/75.

In July-September, barley disappearance was 112 million bushels, a little less than the 124 million bushels used in the first quarter of 1974/75. Domestic feed use was 69 million bushels, down 8 million; food, seed and industry was 40 million bushels, up 1 million; exports were 3 million bushels, down 5 million.

Prices received by farmers for barley averaged \$2.35 per bushel in July, about the same as a year earlier; \$2.56 in August, 22 cents below a year ear-

lier; \$2.69 in September, down 17 cents; and \$2.68 in October, down 43 cents.

Prices of No. 3 or better feed barley at Minneapolis averaged \$2.77 per bushel in August, 8 cents more than a year earlier, and \$3.00 in September, up 52 cents.

HIGH-PROTEIN FEED

Demand Picks Up

With prospects of better livestock and poultry feeding margins, demand for protein likely will improve in 1975/76. Domestic use of protein feed (soybean meal basis excluding non-protein nitrogen) in 1975/76 is forecast at 20 million short tons, 6 percent above 1974/75 but slightly below the heavy usage of most other recent years. Availabilities of different proteins will vary as usual, but the supply of soybean meal, the "king of protein," will be more than adequate because of a record supply of soybeans. Livestock and poultry numbers, down sharply in 1974/75 because of high feed costs and poor feeding returns, are back on the recovery road. Recent reports indicate significant increases in cattle being placed on feed and number of sows that will farrow in December-February. Broiler and turkey producers are already expanding output. (These reports are discussed in more detail in feed grains section.)

Here's the situation and 1975/76 outlook for most individual high-protein feeds: *Soybean meal* (SBM) domestic use! is projected at 13.4 million tons, almost a million more than last season. The abundant supply of beans provides an ample supply of raw material for domestic crushers. More demand for meal through heavier feeding rates is forthcoming because of improved feeding margins for livestock and most poultry. But recovery to high levels of some recent years is not expected because of diminished livestock numbers.

In 1975/76, SBM probably will continue favorably priced relative to grain as feed grains continue to be in fairly tight supply. Consequently, some meal demand will be generated because of price relationships that favor maximum use of protein in feed rations. Last year soybean meal at Decatur averaged 1.2 times the price of Chicago corn on a pound for pound basis, compared with a traditional average of about 1.6. While SBM use was off in 1974/75, the decline was substantially less than corn. Meal may continue to be competitively priced with urea, although urea prices may soften in 1975/76 because of prospects for increased supplies.

SBM (44 percent Decatur) averaged \$131 per ton in 1974/75. Daily prices fluctuated between \$188 in October 1974 and \$102 in March 1975. In 1975/76, the price level may average a little below last year

because of prospects for lower bean prices. However, oil has run into considerable competition from other fats and oils here and abroad, and presently is priced well below 1974/75. Lower priced oil means that a larger proportion of the processors' margin will come from soybean meal sales. Daily prices of meal may not fluctuate as widely as the \$86 range in 1974/75 because larger supplies of beans (and grains) will have a steadying influence. However, prices likely will continue to fluctuate more than old "norms" because of continued tight supplies of feed grains and uncertainties in U.S. crops and demand abroad in 1976.

If feed grain prices drift downward from present fall levels during the course of the marketing year, meal prices could ease, but should grain prices advance, a rise in meal prices could follow.

Cottonseed meal (CSM) prospects for a 22 percent smaller 1975 cotton crop mean a similar downturn in new crop cottonseed available for oil mills. Stocks of old crop seed on August 1 totaled 554,000 tons, 16 percent above a year earlier. However, because of the much smaller 1975 cotton crop, there will be a 19 percent smaller cottonseed supply during 1975/76. Assuming 88 percent of the supply is crushed, output of cottonseed meal available for cattle feeding in 1975/76 would be down 15 percent to around 1.6 million tons. In view of the large cattle herd, cattlemen (especially those in the South and West) will have to either lower their use of CSM or seek other protein sources in more ample supply, such as SBM and peanut meal.

CSM prices in 1975/76 probably will stay high relative to soybean meal. Typically, CSM is priced about \$12-16 below soy meal, but in recent months it has been running within \$5 of soybean meal.

Output of *linseed meal* may show at least a modest increase in 1975/76, while peanut meal production will be unusually large because processors are crushing more stock of CCC owned peanuts.

Fishmeal (FM) supplies for all of 1975/76 will have to face the uncertainties of the domestic fish catch in the summer of 1976. Domestic production of FM during May-September 1975 (the height of the U.S. fishmeal season) totaled 243 million tons, 10 percent less than last year. Imports of 59,000 tons were up 77 percent and reflect stepped up demand by the U.S. broiler industry, now in an expansion phase. Supplies for 1975/76 are projected to reach 500,000 tons if domestic production next summer returns to pre-1975 levels and imports increase because of improved feeding conditions for broilers.

East Coast fishmeal in 1974/75 averaged \$250 per ton, substantially below the high marks in 1972/73 and 1973/74. The decline in FM prices during 1974/75 was largely the result of waning feed demand.

Increased livestock slaughter raised U.S. *tank-*

age and meat meal (TMM) output for livestock feed in 1974/75 to 1.95 million tons, 5 percent above a year earlier. In 1975/76, TMM may fall short of last year's volume by as much as 5 percent because of prospects for reduced animal slaughter.

Tankage and meat meal prices in the year just ended averaged well below the high levels of 1972/73 and 1973/74, reflecting substantially reduced feeding. Tankage digester 60 percent at Chicago averaged \$160 per ton, compared with \$202 in 1973/74. Meat meal (50 percent) at Chicago averaged \$150 per ton, down from the \$188 in 1973/74. With strong hog prices and prospects of lower supplies of *TMM*, prices of this feed likely will stay firm in 1975/76 but will not stray far from changes in soybean meal markets.

Output of *gluten feed and meal (GFM)* is hard to assess because no government statistics on production currently exist. According to industry sources, production in 1974/75 probably totaled at least as much as 2.2 million tons, 3 percent above a year earlier. Output of this byproduct feed has been trending consistently upward because of increased demand by the wet milling industry for high fructose corn syrup. However, much of the increased production of GFM is going to the export market. Exports of GFM since 1971/72 (beginning of government GFM export statistics) have increased a fifth to a total of 875,000 tons in 1974/75. The bulk of these exports are going to Europe. Rising exports along with rising production means that domestic feed availabilities of GFM may be stable at around 1.3 million tons.

Gluten feed (21 percent) at Chicago averaged \$88 per ton in 1974/75, little changed from 1973/74, and one of the few protein feeds that did not decline from a year earlier. Gluten meal (50 percent) averaged \$209 per ton, off about \$20 per ton from 1973/74. Again, the decline was relatively less than that of most protein feeds and probably reflected the strong export demand for GFM.

Distillers' dried grain (DDG) output in 1974/75 dropped almost 30 percent as the distilling industry felt the effects of the recession. With reduced demand for alcohol, the industry cut production and apparently operated out of its existing inventories of spirits. With the recovery in the economy now underway, supplies of DDG likely will increase in 1975/76. As a result of tight supplies, prices of DDG (28 percent) at Cincinnati remained high in 1974/75, averaging \$117 per ton, slightly more than the high average in 1973/74. If supplies increase as expected, DDG prices may soften a bit in 1975/76.

The recession seems to have had less of an impact on the brewing industry than on the distilling industry. Production of *brewers' dried grains (BDG)*, in 1974/75 totaled 342,000 tons, only a shade below the year before. The recovery of the economy (now underway) will step up demand for malt liquors and result in expanded output of BDG in 1975/76.

BDGs' (24 percent) at Milwaukee, averaged \$91 per ton in 1974/75, \$9 below the year before. Prices in 1975/76 could average slightly lower if supplies increase as projected, but expanding domestic feed demand and heavy exports of GFM will help hold grain protein prices firm.

HAY AND FORAGE

Hay production in 1975 totaled 130 million tons, 2% above last year's crop but 3% below 1973. Both acreage harvested and yield per acre are up this year from 1974 levels. However, due to the low carryover on May 1, the 1975/76 hay supply at 149 million tons is 2% less than last season's and the smallest since 1967/68.

The largest increases in hay production this year were in North Dakota, Oklahoma, and South Dakota while Idaho, New York, and Texas have the largest decreases in production. Most of the decrease in Texas was due to lower acreage, while output changes in the other States were mainly due to yields.

Starting with a record high in May, hay prices have remained strong this season with monthly farm prices for all hay (baled) staying above \$50 per ton. By October the price was \$50, compared to \$52 a year earlier and \$46 in October 1973. Since July, the average price for alfalfa hay at the farm has been between \$54 and \$55.

Pasture and range feed conditions this year have generally been above a year ago and average. However, below normal wheat pasture grazing conditions in most Plains States this fall increased the need for supplemental feeding. The record inventory of cattle outside feedlots and smaller hay supply combined with strong feed grain prices will probably keep hay prices in 1975/76 close to the high price level experienced last season. The number of milk cows on farms is expected to decline only slightly during the remainder of 1975, which should help maintain the strong demand for high quality hay. On the other hand, if profit margins encourage placement of cattle into feedlots, reduced emphasis on forage feeding would tend to temper hay demand.

Table 3 ---Hay (all): Acreage, supply, disappearance, and prices, 1971-75

Item	Unit	1971/72	1972/73	1973/74	1974/75 prel.	1975/76 <u>1</u>
Acreage harvested	Mil. acres	61.4	59.8	62.1	60.5	61.5
Yield per acre	Tons	2.10	2.15	2.17	2.10	2.12
Carryover (May 1)	Mil. tons	22.2	25.5	24.3	25.5	18.6
Production	"	129.1	128.6	134.8	127.0	130.2
Supply	"	151.3	154.1	159.1	152.5	148.8
Disappearance	"	125.8	129.8	133.6	133.9	
Roughage-Consuming Animal Units (RCAU)	"	91.1	93.2	99.5	103.1	107.5
Supply per RCAU	Tons	1.66	1.65	1.60	1.48	1.38
Disappearance per RCAU	Tons	1.38	1.39	1.34	1.30	
Season price received by farmers	\$ per ton	28.10	31.30	41.60	50.60	
Sold by farmers	Mil. tons	25.0	25.8	27.3	25.7	
Proportion of crop	Percent	19	20	20	20	
Value of production	\$ Mil.	3,336	3,732	5,023	5,770	
Value of sales	\$ Mil.	704	808	1,135	1,302	

1/ October 1 indications.

Table 4 ---Hay production and prices received by farmers

Year	North Atlantic	East North Central	West North Central	South Atlantic	South Central	Western	United States
	- - - - Million tons - - - -						
1972	10.3	21.8	45.7	5.6	15.0	30.2	128.6
1973	11.9	22.8	44.4	6.0	19.1	30.6	134.8
1974 prel.	11.7	21.8	39.6	5.9	17.1	30.9	127.0
1975 <u>1</u> /	11.4	22.9	45.6	5.8	13.8	30.6	130.1
Mid October	Pennsyl- vania	Wisconsin	Kansas	Georgia	Texas	Colorado	California
	- - - - Dollars per ton - - - -						
1972	39.00	29.00	23.50	32.00	26.50	40.00	34.00
1973	38.00	28.00	42.00	34.00	36.50	44.00	60.50
1974	42.50	31.00	53.50	38.00	51.00	52.50	62.50
1975	50.00	51.50	46.50	41.00	42.50	53.00	53.00

1/ October 1 indications.

OCTOBER-DECEMBER FEED DEMAND FOR CORN¹

by

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Commodity Economics Division

ABSTRACT: Corn feeding is normally heaviest in October-December, the first quarter of the marketing year. Multiple regression analysis is used to measure the impacts of the factors affecting corn feed use during the first quarter. The analysis shows best results using price of corn, price of soybean meal, livestock output, and livestock prices as feed use determinants. As expected, higher corn prices reduce demand while higher livestock output and prices increase demand. The analysis also suggests that there is some substitution between soybean meal and corn. A projection for the October-December 1975 quarter is provided and areas for further quarterly analysis are outlined.

KEY WORDS: Corn, feed demand, feed-livestock prices, October-December quarter.

The following is an analysis of factors influencing domestic corn feed demand during the first (October-December) quarter of the feeding year. The ordinary least squares approach is used to relate first quarter use of corn for feed (QCDF1) to several explanatory variables for the period 1957-1974 (2).²

The quantity of corn fed to livestock in the first quarter of the marketing year has increased steadily since 1957, holding at a level above 1 billion bushels since 1966 (see table). It is normally the quarter of heaviest feeding during the season and from 1971 through 1974 accounted for more than one-third of total feed use in the marketing year. This compares with 29 percent for the 1961-64 period.

An analysis of first quarter demand can be helpful to commodity analysts in estimating the seasonal consumption pattern for a given supply of corn throughout the feeding year. Also, the important first quarter estimate of corn feed demand can serve as a benchmark for annual estimates of consumption.

The analysis based on the quarter relates total feed consumption of corn to aggregate variables for output of livestock (LO) and livestock prices (PL).

¹This is the first of a series of articles on quarterly feed demand for corn which will be published in the *Feed Situation*.

²Numbers in parentheses refer to references listed at the end of this article.

The correlation between the quantity of corn used for feed (mil. bu.) in the marketing year (QCDY) and the quantity of corn used for feed (mil. bu.) in the first quarter (QCDF1) is .95 for the historical period 1957/58 to 1974/75. This illustrates the importance of the October-December quarter in influencing annual feed use.

Of the equations tried, the linear equation below best reflects first quarter corn feed demand. The functional relationships are those normally associated with feed consumption. Numbers in parentheses

$$QCDF1 = -73.5535 - (206.4039)PC + (33.2115)PM + (375.3053)LO + (1.8897)PL$$

$$"t" \quad (4.38) \quad (1.08) \quad (4.83) \quad (2.91)$$

$$"e" \quad [-.25] \quad [.13] \quad [.64] \quad [.55]$$

$$R^2 = .931 \quad S.E. = 67.47 \quad D.W. = 1.76$$

sis below the equation coefficients are "t" statistics, a measure of statistical reliability of the coefficient. Bracketed terms are elasticities computed at mean values of variables. Explanatory variables are:

QCDF : Quantity of corn demanded for feed in Oct.-Dec., (mil. bu.)

PC : Average price received by farmers for corn in Oct.-Dec., (\$/bu.)

PM : Price of soybean meal in Oct.-Dec., bulk Decatur, 44 percent, (cents/lb.)

LO : Production value of beef, pork and broilers,

(a constant price value aggregate) in Oct.-Dec., (\$ bil., 1957-59 farm prices)

PL: Price received by farmers for livestock and livestock products in Oct.-Dec., (1910-14=100).

The signs of coefficients show that higher corn prices reduce quantity of feed demanded, while higher livestock output and prices increase the quantity demanded.

Beef cattle, hogs, and broilers are major factors shifting feed use from year to year, and these animals normally account for about two-thirds of corn feed use. Including eggs and milk in the livestock output aggregate (LO) failed to improve the results. The value aggregate for eggs and milk is high compared to the relative importance of layers and milk cows in total feed use of corn, which may explain why including these commodities did not improve the analysis. Soybean meal price (PM) also is a relatively weak determinant, but still suggests that there is some substitution between soybean meal and corn.

Quarterly Demand Is Slow To Respond

The direct price elasticity between use of corn and price of corn implies that a 10 percent increase in the price of corn will result in a 2.5 percent decline in feed use of corn. Thus, the equation implies that first quarter corn feed demand is not affected much by price changes in the short run.

Direct price elasticities from annual studies show more response than these first quarter results. Foote's annual analysis of the feed-livestock economy estimated a direct price response of -.47 with cross elasticities of .48 and 1.7 for livestock prices and quantities, respectively (1).³ A later study by King estimated a direct price elasticity of -.74 where the price of corn was used as a proxy for all grain prices in a total feed demand equation (3). King estimated a cross price elasticity between feed demand and high protein price of .63. A recent study by Meilke suggests a direct price elasticity of -.44 for all feed grains (corn, sorghum, oats, and barley) and he concludes that high proteins substitute for feed grains with a cross elasticity of .24 (4).

The specification of our equation is similar to formulations in the related annual studies above. The lower elasticity found in the quarterly relationship is probably due to the constraint of time—a quarter versus a year. Producers tend to feed out to slaughter weights the animals they have in process even when they have losses on feeding. They may minimize their losses in this

way and adjust to unfavorable market conditions later by cutting back on feeding. On the other hand, if conditions call for more livestock output, there is a biological constraint to expansion.

Other Factors Did Not Help

Additional variables that might be expected to influence feed demand for corn are the prices of other feed grains, especially sorghum. However, sorghum price was statistically insignificant when included in the equations. Several reasons may be associated with this outcome, among which is the problem of strong collinearity or lack of independent variation between the price of corn and the price of sorghum. Changes in feed grain prices are practically indistinguishable from one grain price series to the other—movements are highly correlated. Another likely reason for insignificant results is the fact that livestock feeders often are accustomed to feeding rations containing feed common to their geographic region. Such a practice over the years could result in lower levels of substitution between the grains than might be expected from price relationships.

Both the general consumer price index and livestock price (PL) were used as general deflators of feed price variables in an attempt to use "real" prices. However, results were less favorable using deflated "real" prices. Use of fed beef rather than total beef production in the analysis also did not improve the estimating equation.

Estimating Feed Use for October-December 1975

Analyses for October-December feed demand provide tools and a consistency check for use in estimates prepared by feed, livestock, and soybean market analysts. Independent quarterly estimates for the variables PL, LO, and PM are used in the equation to provide a measure of overall impact on feed demand.

Likewise, similar equations in the livestock and soybean sectors can be applied such that consistent estimates are generated among these inter-related groups. To illustrate the use of the estimating equation, a projection for the October-December 1975 quarter was computed. The following values for independent (determining variables) were assumed for the quarter:

Farm price of corn, PC	= 2.90 (\$/bu.)
Price of soybean meal, PM	= 7.00 (¢/lb.)
Price index for livestock and livestock products, PL	= 532 (1910-14=100)

The value aggregate for beef, pork, and broilers (LO) was computed using October-December 1957-59 average prices and October-December production forecasts as follows:

³A cross elasticity of .48 between corn feed demand and livestock price implies that when livestock prices increase by 10 percent, corn feed demand will increase by 4.8 percent. Likewise a 10 percent increase in livestock quantity would result in a 17 percent increase in feed demand.

Corn: Quantity used for livestock feed and related variables, United States, 1957-74

Year beginning: Oct. 1	Quantity of corn demand for feed Oct.-Dec. (QCDF1)	Price received by farmers for corn Oct.-Dec. (PC)	Wholesale price of soybean meal Oct.-Dec. (PM)	Value aggregate (1957-59 farm prices) of beef, pork, and broiler production Oct.-Dec. (LO)	Price received by farmers for live- stock and livestock products, 1910 - 14 = 100 Oct.-Dec. (PL)	Quantity of corn demand for annual feed (QCDY)
	Mil. bu.	Dol. per bu.	Cents per lb.	Bil. dol.	Index	Mil. bu.
1957/58	745.6	1.01	2.26	1.331	255	2,533.8
1958/59	830.0	1.00	2.77	1.328	273	2,783.0
1959/60	871.6	.99	2.90	1.429	245	3,043.0
1960/61	854.2	.94	2.41	1.412	260	3,092.2
1961/62	953.6	1.00	2.92	1.484	252	3,212.5
1962/63	867.8	1.02	3.50	1.519	260	3,155.8
1963/64	810.0	1.08	3.75	1.648	242	3,008.9
1964/65	913.5	1.12	3.38	1.778	236	2,956.1
1965/66	915.4	1.09	3.63	1.728	280	3,361.2
1966/67	1,077.4	1.28	4.10	1.874	286	3,328.1
1967/68	1,094.5	1.02	3.62	1.893	273	3,508.2
1968/69	1,098.6	1.02	3.72	1.995	294	3,579.2
1969/70	1,140.7	1.09	3.80	2.031	335	3,796.3
1970/71	1,142.5	1.33	3.95	2.145	305	3,581.3
1971/72	1,355.0	1.02	3.82	2.126	332	3,977.8
1972/73	1,516.5	1.27	6.77	2.172	390	4,310.0
1973/74	1,462.8	2.25	8.64	2.140	507	4,193.0
1974/75	<u>1/</u> 1,144.0	3.35	7.54	2.214	426	<u>1/</u> 3,178.0

1/ Preliminary.

Item	Production	Prices	Value
	Mil. lbs.	Cents/lb.	\$ Bil.
Beef	6,200	23.07	1.430
Pork	2,700	15.70	0.424
Broilers . . .	1,980	15.9	0.315
Total . . .	10,880	- - -	2.169

The livestock production aggregate (LO) totals \$2.169 billion. This compares with \$2.214 billion in October-December 1974. Using the above assumed values for variables in the analysis results in estimated feed use of 1,380 million bushels, a fifth above a year earlier.

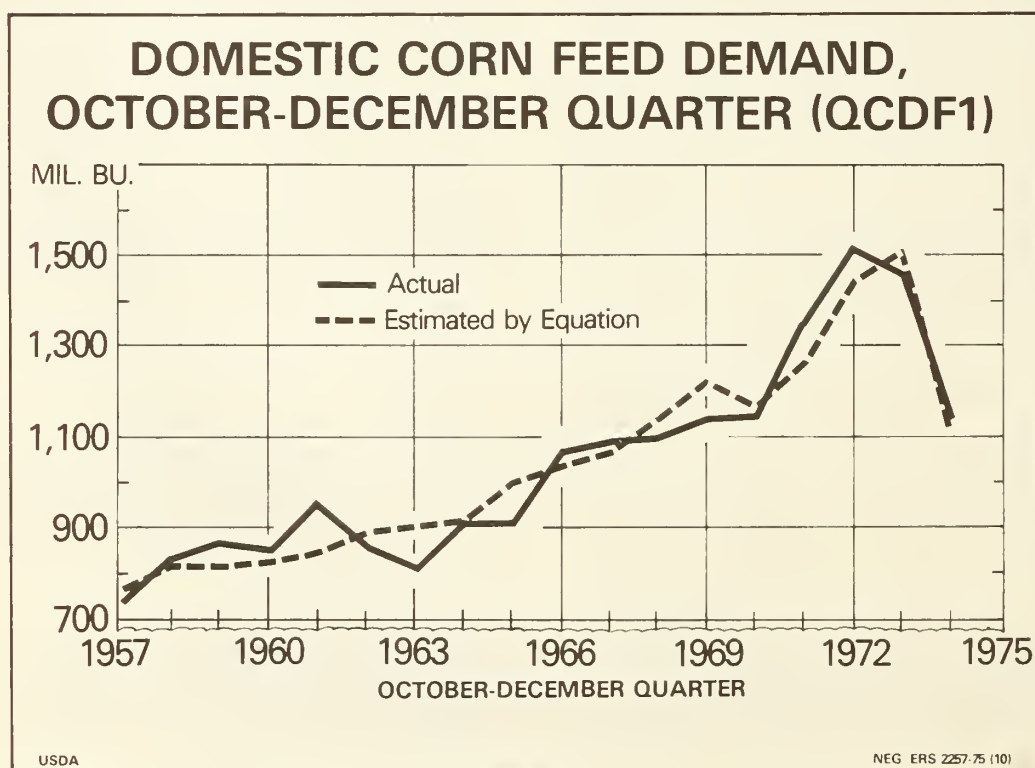
Estimated values based on the equation track the historical feed use reasonably well (see figure), especially in the later period where corn use dropped substantially in the fall quarter of 1974. Thus, the estimate for this October-December 1975, should be in the neighborhood of actual feed use of corn if assumed values for independent variables—corn price (PC), meal price (PM), livestock price (PL), and livestock output (LO)—are about right for the quarter. Livestock output (LO) is considered by the authors to be the least firm number of the four variables estimated. This is due to possible changes in the proportion of fed beef relative to non-fed beef, which may cause output (at \$2.2 billion in 1957-59 prices) to be a high side estimate. It is expected that fed cattle marketings will be rel-

atively low in relation to total cattle slaughter for the current quarter compared to the historical period used in fitting the equation. For example, fed cattle made up 74 percent of the slaughter in October-December 1973 and 77 percent in 1972. This year we expect fed cattle to account for about 50-55 percent. Furthermore, the recent practice of placing heavier cattle on feed in order to reduce time in the feedlot is expected to continue during the quarter. These two factors suggest that estimated beef output for the quarter may be high and influence feed use accordingly.

Another consideration is the time required for producers to respond to the favorable feed and livestock price relationships. This response may be slower than usual and consequently feed demand may be less responsive (more inelastic) to price changes for the quarter. The livestock price index estimate is at a record level for October-December, about a fourth higher than last year. But most breeding decisions, for example, affecting June-August farrowings were made during February through April when the hog-corn price ratio was unfavorable for expanding production.

Although the equation appears to overstate feed use for the current quarter, the results definitely indicate a turnaround in corn feeding. This is supported also by visible indicators of feed demand.⁴

⁴See discussion of feed demand, page 5.



Further Investigation

Analyses such as the above article are never the final word. Rather they hopefully are a step in the direction of better understanding some of the forces underlying economic relationships in the feed demand for corn. This analysis is an aggregate investigation and as such requires that the livestock mix, as observed over the period in which the equation was estimated, remains essentially the same. Significant shifts in the mix could be expected to lead to biased estimates from the equation and would require a different approach in making a

quarterly estimate. In this case a separate equation for each livestock group might be considered. Additionally, the nature of biological lags associated with production of livestock could be expected to influence current feed demand with different response from each major livestock group.

Finally, the above analysis constitutes only one part of the overall corn economy. It could be supplemented with equations which estimate exports, stocks, and food and seed use to complete the picture. Such a system could generate the complete supply and utilization system as well as market price.

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TABLE 5--FEED GRAINS: MARKETING YEAR SUPPLY, DISAPPEARANCE, ACREAGE AND PRICES, 1969-75 1/

YEAR 2/	SUPPLY			DISAPPEARANCE			ENDING STOCKS					
	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL	FEED	DOMESTIC USE	EXPORTS	TOTAL DISAPPEARANCE	PRIVATELY HELD	GOVT. 3/	TOTAL	
						FOOD, INDUSTRY, AND SEED						
MILLION SHORT TONS												
1969/70	50.2	177.4	.4	228.0	141.8	16.4	158.2	21.2	179.4	20.8	27.8	48.6
1970/71	48.6	160.1	.4	209.1	138.9	16.3	155.2	20.7	175.9	14.2	19.0	33.2
1971/72	33.2	207.7	.5	241.4	149.0	16.7	165.7	27.3	193.0	17.9	30.5	48.4
1972/73	48.4	199.9	.4	248.7	156.2	17.0	173.2	43.1	216.3	21.7	10.7	32.4
1973/74	32.4	205.0	.2	237.6	153.3	17.7	171.0	44.4	215.4	20.3	1.9	22.2
1974/75 4/	22.2	165.1	.5	187.8	114.7	18.1	132.8	39.2	172.0	14.9	0.9	15.8
1975/76 5/	15.8	202.4	.5	218.7	123.4-132.1	18.5	141.9-150.6	52.3-47.5	194.2-198.1			24.5-20.6
GOVT. PRICE SUPPORT OPERATIONS												
MILLION DOLLARS												
1967=100												
1969/70	133.0	39.1	115.3	95.5	1.86		97			1,644.5		
1970/71	133.0	37.4	118.8	99.3	1.61		110			1,509.7		
1971/72	132.9	18.2	128.0	106.3	1.95		96			1,060.1		
1972/73	129.8	36.6	115.1	94.0	2.13		141			1,865.3		
1973/74	130.0	9.4	121.4	102.4	2.00		222			1,170.8		
1974/75 4/	89.0	---	122.6	100.7	1.64		250			327.8		
1975/76 5/	89.0	---	122.9	103.9	1.95		228 7/					

1/ AGGREGATED OATS ON CORN, SORGHUM, OATS AND BARLEY. 2/ THE MARKETING YEAR FOR CORN AND SORGHUM BEGINS OCT. 1; JULY 1 FOR OATS AND BARLEY. 3/ UNOER LOAN TO OR OWNED BY CCC; FOR YEARS PRIOR TO 1973 CCC'S INVENTORY DOES NOT INCLUDE QUANTITIES COMMITTED FOR SALE. 4/ PRELIMINARY. 5/ FORECAST; BASED ON OCTOBER 1975 INDICATIONS. 6/ EXCLUDES SUPPORT PAYMENT. 7/ OCTOBER, 1975.

TABLE 6 --SORGHUM: MARKETING YEAR SUPPLY, DISAPPEARANCE, ACREAGE AND PRICES, 1969-75

YEAR BEGINNING OCT. 1	SUPPLY	DISAPPEARANCE	ENDING STOCKS SEPT. 30
1969/70	287	730	1,017
1970/71	244	684	928
1971/72	90	876	966
1972/73	142	809	951
1973/74	73	930	1,003
1974/75 2/	61	628	689
1975/76 3/	35	776	811
			485-525
			491-531
			300-250
			791-781
			20-30
			244
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TABLE 7 --OATS: MARKETING YEAR SUPPLY, DISAPPEARANCE, ACRES AND PRICES, 1969-75

YEAR BEGINNING JULY 1													ENDING STOCKS JUNE 30					
SUPPLY															DISAPPEARANCE		ENDING STOCKS JUNE 30	
: BEGINNING : STOCKS : PRODUCTION : IMPORTS : TOTAL :																		

1/ UNDER LOAN TO OR OWNED BY CCC; FOR YEARS PRIOR TO 1973 CCC'S INVENTORY DOES NOT INCLUDE QUANTITIES COMMITTED FOR SALE. 2/ LESS THAN 500,000 BUSHEL. 3/ PRELIMINARY. 4/ FORECAST: BASED ON OCTOBER 1975 INDICATIONS. 5/ NOT INCLUDED IN THE PROGRAM. 6/ EXCLUDES SUPPORT PAYMENT. 7/ JULY-OCTOBER AVERAGE, 1975.

TABLE 9 --CORN: MARKETING YEAR SUPPLY AND DISAPPEARANCE, QUARTERLY, 1972-75

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1/ LESS THAN 500,000 BUSHELS. 2/ PRELIMINARY. 3/ FORECAST; BASED ON OCTOBER 1975 INDICATIONS.

TABLE 10--FEED GRAINS: MARKETING YEAR SUPPLY AND DISAPPEARANCE, QUARTERLY, 1972-75 1/

YEAR AND QUARTERS 2/	SUPPLY			DISAPPEARANCE							ENDING STOCKS
	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL	DOMESTIC USE			EXPORTS		TOTAL DISAPPEAR- ANCE	
					FEED	FOOD, INDUSTRY AND SEED	TOTAL	DISAPPEAR- ANCE	TOTAL		
MILLION TONS											
1972/73											
OCT.-DEC.	61.2	178.7	3/ .2	240.1	53.7	3.7	57.4	8.9	66.3	173.8	
JAN.-MAR.	173.8	---	4/	173.8	40.1	4.0	44.1	10.5	54.6	119.2	
APR.-JUNE	119.2	---	.1	119.3	32.8	5.2	38.0	11.0	49.0	70.3	
JULY-SEPT.	70.3	20.8	5/ 4/	91.1	28.5	4.2	32.7	13.4	46.1	45.0	
MKT. YEAR	48.4	199.9	.4	248.7	156.2	17.0	173.2	43.1	216.3	32.4	
1973/74											
OCT.-DEC.	45.0	184.2	3/ .1	229.3	52.8	3.9	56.7	11.4	68.1	161.2	
JAN.-MAR.	161.2	---	4/	161.2	42.3	4.2	46.5	11.8	58.3	102.9	
APR.-JUNE	102.9	---	.1	103.0	33.3	5.1	38.4	12.3	50.7	52.3	
JULY-SEPT.	52.3	17.3	5/ .1	69.7	24.1	4.3	28.4	8.2	36.6	33.1	
MKT. YEAR	32.4	205.0	.2	237.6	153.3	17.7	171.0	44.4	215.4	22.2	
1974/75 6/											
OCT.-DEC.	33.1	147.8	3/ .2	181.1	42.2	4.1	46.3	9.3	55.6	125.5	
JAN.-MAR.	125.5	---	.1	125.6	32.3	4.4	36.7	12.7	49.4	76.2	
APR.-JUNE	76.2	---	.1	76.3	23.3	5.3	28.6	8.2	36.8	39.5	
JULY-SEPT.	39.5	20.0	5/ .1	59.6	16.6	4.4	21.0	8.9	29.9	29.7	
MKT. YEAR	22.2	165.1	.5	187.8	114.7	18.1	132.8	39.2	172.0	15.8	
1975/76											
OCT.-DEC.											
JAN.-MAR.											
APR.-JUNE											
JULY-SEPT.											
MKT. YEAR 7/	15.8	202.4	.5	218.7	123.4- 132.1	18.5	141.9- 150.6	52.3- 47.5	194.2- 198.1	24.5- 20.6	

1/ AGGREGATED DATA ON CORN, SORGHUM, OATS AND BARLEY. 2/ MARKETING YEAR FOR CORN AND SORGHUM BEGINS OCTOBER 1; JULY 1 FOR OATS AND BARLEY--CONSEQUENTLY QUARTERLY TOTALS WILL NOT NECESSARILY ADD TO MARKETING YEAR TOTALS. 3/ CORN AND SORGHUM. 4/ LESS THAN 50,000 TONS. 5/ OATS AND BARLEY. 6/ PRELIMINARY. 7/ FORECAST; BASED ON OCTOBER 1975 INDICATIONS.

TABLE 11--SORGHUM: MARKETING YEAR SUPPLY AND DISAPPEARANCE, QUARTERLY, 1972-75

YEAR AND QUARTERS BEGINNING OCT. 1	SUPPLY			DISAPPEARANCE			ENDING STOCKS			
	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL	DOMESTIC USE			TOTAL EXPORTS	DISAPPEAR- ANCE	
					FEED	INDUSTRY				AND SEED
MILLION BUSHELS										
1972/73										
OCT.-DEC.	142	809	---	951	281	2	283	47	330	621
JAN.-MAR.	621	---	---	621	199	1	200	58	258	363
APR.-JUNE	363	---	---	363	122	2	124	39	163	200
JULY-SEPT.	200	---	---	200	58	1	59	68	127	73
MKT. YEAR	142	809	---	951	660	6	666	212	878	73
1973/74										
OCT.-DEC.	73	930	---	1,003	301	1	302	56	358	645
JAN.-MAR.	645	---	---	645	197	1	198	66	264	381
APR.-JUNE	381	---	---	381	146	3	149	54	203	178
JULY-SEPT.	178	---	---	178	58	1	59	58	117	61
MKT. YEAR	73	930	---	1,003	702	6	708	234	942	61
1974/75 1/										
OCT.-DEC.	61	628	---	689	261	1	262	46	308	381
JAN.-MAR.	381	---	---	381	107	2	109	63	172	209
APR.-JUNE	209	---	---	209	86	3	89	25	114	95
JULY-SEPT.	95	---	---	95	-18	---	-18	78	60	35
MKT. YEAR	61	628	---	689	436	6	442	212	654	35
1975/76										
OCT.-DEC.										
JAN.-MAR.										
APR.-JUNE										
JULY-SEPT.										
MKT. YEAR 2/	35	776	---	811	485-525	6	491-531	300-250	791-781	20-30

TABLE 12.--OATS AND BARLEY: MARKETING YEAR SUPPLY AND DISAPPEARANCE, QUARTERLY, 1972-75

YEAR AND QUARTERS BEGINNING JULY 1	SUPPLY				DISAPPEARANCE					ENDING STOCKS
	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL	DOMESTIC USE			EXPORTS	TOTAL DISAPPEARANCE	
					FEED	FODDER, INDUSTRY AND SEED	TOTAL			
OATS MILLION BUSHELS										
1972/73										
JULY-SEPT.	541	692	1	1,234	290	13	303	3	306	928
OCT.-DEC.	928	---	1	929	138	13	151	2	153	776
JAN.-MAR.	776	---	1	777	170	22	192	1	193	584
APR.-JUNE	584	---	1/	584	113	45	158	16	174	410
MKT. YEAR	541	692	3	1,236	711	93	804	22	826	410
1973/74										
JULY-SEPT.	410	667	1/	1,077	237	15	252	17	269	808
OCT.-DEC.	808	---	1/	808	137	15	152	19	171	637
JAN.-MAR.	637	---	1/	637	178	22	200	1	201	436
APR.-JUNE	436	---	1/	436	114	46	160	21	181	255
MKT. YEAR	410	667	1/	1,077	666	98	764	58	822	255
1974/75 2/										
JULY-SEPT.	255	621	1/	876	208	13	221	3	224	652
OCT.-DEC.	652	---	1/	652	123	14	137	4	141	511
JAN.-MAR.	511	---	1/	511	161	21	182	1/	182	329
APR.-JUNE	329	---	1/	329	95	45	140	4	144	185
MKT. YEAR	255	621	1/	876	587	93	680	11	691	185
1975/76										
JULY-SEPT. 2/	185	678	1/	863	204	14	218	3	221	642
OCT.-DEC.										
JAN.-MAR.										
APR.-JUNE										
MKT. YEAR 3/	185	678	1/	863	570-630	95	665-725	30-20	695-745	168-118
BARLEY MILLION BUSHELS										
1972/73										
JULY-SEPT.	175	423	3	601	101	34	135	12	147	454
OCT.-DEC.	454	---	7	461	56	30	86	13	99	362
JAN.-MAR.	362	---	1/	362	52	36	88	16	104	258
APR.-JUNE	258	---	4	262	29	45	74	25	99	163
MKT. YEAR	175	423	14	612	238	145	383	66	449	163
1973/74										
JULY-SEPT.	163	422	1	586	98	36	134	30	164	422
OCT.-DEC.	422	---	4	426	49	33	82	23	105	321
JAN.-MAR.	321	---	1	322	54	35	89	18	107	215
APR.-JUNE	215	---	3	218	36	46	82	17	99	119
MKT. YEAR	163	422	9	594	237	150	387	88	475	119
1974/75 2/										
JULY-SEPT.	119	308	6	433	77	39	116	8	124	309
OCT.-DEC.	309	---	6	315	39	32	71	14	85	230
JAN.-MAR.	230	---	3	233	55	33	88	12	100	133
APR.-JUNE	133	---	5	138	4	52	56	6	62	76
MKT. YEAR	119	308	20	447	175	156	331	40	371	76
1975/76										
JULY-SEPT. 2/	76	381	5	462	69	40	109	3	112	350
OCT.-DEC.										
JAN.-MAR.										
APR.-JUNE										
MKT. YEAR 3/	76	381	20	477	170-210	160	330-370	60-40	390-410	87-67

1/ LESS THAN 500,000 BUSHELS. 2/ PRELIMINARY. 3/ FORECAST; BASED ON OCTOBER 1975 INDICATIONS.

Table 13.--Corn. Acreage, yield and production, 1971-75

Crop	North Atlantic	East North Central	West North Central	South Atlantic	South Central	Western	United States
Acreage harvested for grain (Millions)							
1971	1.5	23.1	29.8	5.3	3.5	0.8	64.0
1972	1.2	21.1	27.0	4.6	2.8	0.7	57.4
1973	1.5	21.6	29.7	5.1	3.1	0.9	61.9
1974 <u>1/</u>	1.6	23.2	30.2	5.8	3.5	0.9	65.2
1975 <u>2/</u>	1.6	24.0	30.5	5.7	3.8	1.0	66.6
Yield per harvested acre (Bushels)							
1971	75.3	99.2	88.3	57.9	63.4	95.0	88.1
1972	73.3	102.0	101.6	68.0	72.1	107.1	97.1
1973	76.7	95.5	94.7	67.3	73.2	94.4	91.2
1974 <u>1/</u>	82.5	75.4	68.0	65.2	72.0	95.6	71.3
1975 <u>2/</u>	82.5	101.2	78.7	66.5	78.9	95.0	86.1
Production (Million bushels)							
1971	113	2,292	2,631	307	222	76	5,641
1972	88	2,153	2,742	313	202	75	5,573
1973	115	2,063	2,814	343	227	85	5,647
1974 <u>1/</u>	132	1,750	2,053	378	252	86	4,651
1975 <u>2/</u>	132	2,430	2,401	379	300	95	5,737

1/ Preliminary. 2/ October indications.

Table 14.--Sorghum: Acreage, yield and production, 1971-75

Crop	Texas	Oklahoma	Kansas	Nebraska	New Mexico	Other States	United States
Acreage harvested for grain (Thousands)							
1971	5,827	750	4,325	2,057	353	2,989	16,301
1972	5,420	630	3,500	1,640	297	1,881	13,368
1973	6,950	696	3,900	2,000	363	1,944	15,853
1974 <u>1/</u>	6,000	600	3,320	1,950	220	1,827	13,917
1975 <u>2/</u>	6,800	540	3,300	1,880	293	2,028	14,841
Yield per harvested acre (Bushels)							
1971	52.0	36.0	54.0	60.0	58.0	56.5	53.7
1972	59.0	43.0	62.0	72.0	65.0	57.4	60.5
1973	60.0	44.0	56.0	68.0	54.0	55.6	58.7
1974 <u>1/</u>	52.0	38.0	40.0	33.0	40.0	47.6	45.1
1975 <u>2/</u>	57.0	40.7	44.8	54.3	54.6	49.3	52.3
Production (Million bushels)							
1971	303	27	234	123	20	169	876
1972	320	27	217	118	19	108	809
1973	417	31	218	136	20	108	930
1974 <u>1/</u>	312	23	133	64	9	87	628
1975 <u>2/</u>	388	22	148	102	16	100	776

1/ Preliminary. 2/ October indications.

Table 15.--U.S. corn exports, to selected countries, 1971-74
(Grain only)

Country	Year beginning October			
	1971/72	1972/73	1973/74	1974/75
	----- Million bushels -----			
<u>Traditional countries importing</u>				
<u>U.S. corn</u>				
<u>Large Imports--"usually"</u>				
Japan	111	252	251	206
Netherlands	103	149	137	154
Italy	91	113	85	107
Germany, West	56	82	122	115
United Kingdom	54	65	38	27
Spain	38	69	101	104
Belgium-Luxembourg	15	17	5	13
Canada	10	1/31	51	37
Total	478	778	790	763
<u>Medium Imports--"usually"</u>				
Korea	17	17	15	14
Yugoslavia	16	2	2	---
Germany, East	12	---	6	2/
Czechoslovakia	3	1	1	0
Poland	11	24	19	28
Greece	7	22	35	20
Portugal	18	19	22	41
Total	84	85	100	103
<u>Small Imports--"usually"</u>				
Israel	3	6	7	9
Norway	2	4	3	3
Mexico	1	35	48	48
France	2/	1	2/	2
Lebanon	5	3	3	6
Ireland	1	5	---	---
Vietnam, South	4	4	1	2/
India	1	2/	2/	0
Egypt	5	6	16	19
Canary Islands	4	4	3	4
Philippines	6	2	4	2
Romania	7	3	8	30
Singapore	2/	4	---	2/
Tanzania	4	2/	4	9
Iran	1	5	2	4
Chile	8	6	5	2
Indonesia	2/	7	2/	0
Republic of China (Taiwan)	9	23	12	16
Morocco	2/	1	1	1
Total	61	119	117	155
<u>New countries importing</u>				
<u>U.S. corn</u>				
USSR	136	132	129	40
China, People's Republic of	0	49	59	0
Total	136	181	188	40
<u>Other</u>	27	79	31	64
<u>Grand Total</u>	786	1,242	1,226	1,125

1/ For consumption within the country February and March 1973 imports estimated.

2/ Less than 500,000 bushels.

Table 16 --Cash prices at principal markets, 1971-75

Year begin- ning October	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Simple average
Dollars													
CORN, No. 2 Yellow, Chicago (per bushel)													
1971	1.10	1.07	1.22	1.22	1.21	1.22	1.26	1.28	1.25	1.29	1.29	1.40	1.23
1972	1.32	1.33	1.57	1.58	1.59	1.59	1.65	2.01	2.42	2.52	2.91	2.47	1.91
1973	2.37	2.50	2.68	2.90	3.13	2.99	2.69	2.70	2.93	3.35	3.63	3.55	2.95
1974	3.74	3.48	3.47	3.19	2.96	2.90	2.96	2.82	2.89	2.95	3.12	2.99	3.12
1975	2.74												
CORN, No. 2 Yellow, Omaha (per bushel)													
1971	1.14	1.15	1.24	1.25	1.23	1.23	1.25	1.27	1.23	1.24	1.21	1.28	1.23
1972	1.28	1.34	1.49	1.50	1.55	1.49	1.51	1.84	2.25	2.32	2.71	2.37	1.80
1973	2.34	2.40	2.49	2.71	2.95	2.76	2.49	2.51	2.68	3.19	3.55	3.46	2.79
1974	3.63	3.46	3.36	3.07	2.79	2.75	2.85	2.81	2.84	2.92	3.12	2.95	3.05
1975	2.75												
SORGHUM, No. 2 Yellow, Kansas City (per cwt.)													
1971	1.80	1.91	2.06	2.06	2.07	2.07	2.09	2.08	2.09	2.11	2.05	2.21	2.05
1972	2.17	2.42	2.88	3.06	2.88	2.86	2.83	3.09	3.61	3.93	4.72	4.37	3.24
1973	4.37	4.31	4.37	4.71	4.99	4.64	4.03	3.84	3.99	5.02	5.79	5.64	4.64
1974	6.32	6.10	5.36	4.95	4.55	4.48	4.64	4.60	4.53	4.82	5.13	4.66	5.01
1975	4.53												
Year begin- ning July	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Simple average
Dollars per bushel													
OATS, No. 2 Extra Heavy White, Minneapolis													
1971	.63	.61	.64	.64	.66	.68	.69	.69	.66	.67	.70	.70	.66
1972	.69	.70	.71	.76	.81	.91	.88	.84	.84	.86	.91	.93	.82
1973	.93	1.28	1.32	1.26	1.25	1.32	1.55	1.66	1.52	1.26	1.35	1.43	1.34
1974	1.63	1.68	1.71	1.87	1.80	1.74	1.64	1.64	1.49	1.72	1.78	1.59	1.69
1975	1.59	1.70	1.41	1.64									
BARLEY, No. 3 or Better, Feed, Minneapolis													
1971	1.00	.95	.99	1.04	1.04	1.04	1.07	1.07	1.05	1.06	1.08	1.05	1.04
1972	.96	.98	1.11	1.16	1.14	1.27	1.34	1.20	1.19	1.25	1.36	1.51	1.21
1973	1.67	2.12	2.12	2.02	1.80	2.12	2.34	2.51	2.32	1.74	2.10	2.36	2.10
1974	2.36	2.69	2.48	3.07	3.18	2.89	2.82	2.59	2.26	2.24	2.05	1.67	2.52
1975	2.04	2.77	3.00	2.83									
Barley, No. 3 or Better Malting 70% or Better Plump													
1971	1.25	1.10	1.11	1.17	1.17	1.17	1.20	1.19	1.19	1.19	1.20	1.22	1.18
1972	1.22	1.21	1.26	1.34	1.34	1.45	1.59	1.58	1.61	1.64	1.66	1.74	1.47
1973	1.82	2.45	2.64	2.64	2.62	2.64	2.76	3.27	3.57	2.98	2.94	3.11	2.79
1974	3.38	3.77	4.00	4.42	4.78	4.65	4.62	4.45	4.15	4.34	4.28	3.97	4.23
1975	3.83	3.65	3.93	3.83									

Source: Grain Market News, AMS, USDA.

Table 17.--Average price received by farmers, United States, by months, 1971-75

Year begin- ning October	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Average weighted by sales 1/
Dollars													
CORN, per bushel													
1971	1.00	.974	1.08	1.09	1.09	1.10	1.13	1.15	1.13	1.14	1.15	1.22	1.08
1972	1.19	1.20	1.42	1.39	1.35	1.37	1.42	1.61	1.99	2.03	2.68	2.15	1.57
1973	2.17	2.18	2.39	2.59	2.76	2.68	2.41	2.45	2.57	2.91	3.37	3.30	2.55
1974	3.45	3.32	3.27	3.07	2.86	2.67	2.68	2.66	2.68	2.72	2.95	2.76	2/2.95
1975	2.62												
SORGHUM, per 100 pounds													
1971	1.76	1.78	1.86	1.89	1.86	1.87	1.87	1.88	1.90	1.98	2.05	2.11	1.87
1972	2.09	2.19	2.72	2.72	2.60	2.60	2.56	2.66	3.10	3.46	3.64	3.87	2.45
1973	3.65	3.66	3.83	4.03	4.38	4.25	3.78	3.59	3.59	4.15	5.07	5.30	3.82
1974	5.78	5.85	5.33	4.96	4.21	4.03	4.15	4.21	4.15	4.25	4.69	4.56	2/5.00
1975	4.43												
Year begin- ning July	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Average weighted by sales 1/
Dollars per bushel													
OATS													
1971	.626	.555	.574	.581	.595	.622	.638	.636	.638	.635	.638	.666	.605
1972	.655	.623	.645	.671	.700	.806	.811	.776	.771	.774	.796	.904	.725
1973	.855	1.13	1.09	1.14	1.13	1.20	1.32	1.44	1.40	1.24	1.27	1.30	1.18
1974	1.37	1.55	1.57	1.68	1.70	1.70	1.62	1.58	1.46	1.51	1.54	1.49	2/1.50
1975	1.45	1.44	1.45	1.41									
BARLEY													
1971	1.07	.868	.919	.960	1.02	1.04	1.04	1.01	.983	.990	1.04	1.09	.993
1972	1.04	.956	1.07	1.17	1.21	1.32	1.42	1.34	1.31	1.31	1.39	1.55	1.21
1973	1.58	2.10	2.16	2.23	2.10	2.19	2.32	2.52	2.61	2.15	2.19	2.25	2.13
1974	2.33	2.78	2.86	3.11	3.41	3.30	3.17	2.89	2.55	2.72	2.75	2.30	2/2.72
1975	2.35	2.56	2.69	2.68									
Year begin- ning May	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Average weighted by sales
Dollars per ton													
HAY													
1971	25.60	24.60	24.10	24.30	24.50	24.90	25.30	26.10	29.20	29.70	29.00	28.00	28.10
1972	31.10	30.90	28.50	29.30	29.80	30.30	31.00	33.00	34.60	35.40	35.40	33.90	31.30
1973	37.50	35.20	36.30	39.00	43.10	46.20	46.80	46.00	47.10	47.10	45.40	44.40	41.60
1974	54.00	47.70	48.20	51.10	51.90	51.50	50.30	50.70	50.10	49.30	49.70	52.40	2/50.60
1975	56.30	53.60	51.20	51.00	50.80	50.30							

1/ Includes an allowance for unredeemed loans and purchase agreement deliveries valued at the average loan rate, by States; excludes government payments.

2/ Preliminary.

Table 18.--Corn, No. 2 Yellow, Chicago: Daily closing cash and December 1975 and 1976 futures 1/
Dollars per bu.

July			August			September			October			November		
Date	Cash	Dec. '75: futures	Date	Cash	Dec. '75: futures	Date	Cash	Dec. '75: futures	Date	Cash	Dec. '75: futures	Date	Cash	Dec. '75: futures
1	2.78	2.36	1	3.00	2.82	1		Holiday	1	2.91	3.06	3	2.52	2.73
2	2.82	2.40	4	3.00	2.90	2	2.95	2.95	2	2.84	2.97	4	2.54	2.75
3	2.87	2.44	5	3.02	2.88	3	2.99	2.98	3	2.88	2.99	5	2.60	2.78
4		Holiday	6	3.05	2.94	4	2.96	2.98	6	2.88	2.98	6	2.63	2.75
7	2.81	2.41	7	3.13	3.04	5	3.03	3.00	7	2.89	2.99			
8	2.91	2.51	8	3.06	3.00	8	2.94	2.97	8	2.92	3.01			
9	2.90	2.54	11	3.06	3.98	9	2.89	2.89	9	2.92	3.00			
10	2.86	2.55	12	3.13	3.07	10	2.93	2.93	10	2.92	3.00			
11	2.91	2.64	13	3.16	3.12	11	2.92	2.90	13	2.80	2.93			
14	2.87	2.60	14	3.18	3.17	12	3.02	3.00	14	2.79	2.96			
15	2.92	2.64	15	3.10	3.19	15	3.03	3.01	15	2.76	2.93			
16	3.00	2.69	18	3.01	3.11	16	3.10	3.07	16	2.75	2.95			
17	2.96	2.62	19	3.11	3.18	17	3.18	3.16	17	2.72	2.92			
18	2.88	2.55	20	3.20	3.27	18	3.12	3.11	20	2.77	2.93			
21	2.95	2.64	21	3.18	3.22	19	3.05	3.09	21	2.68	2.86			
22	2.94	2.61	22	3.14	3.22	22	2.98	3.05	22	2.66	2.84			
23	2.89	2.57	25	3.15	3.20	23	2.94	3.01	23	2.63	2.83			
24	2.99	2.65	26	3.05	3.10	24	2.92	3.03	24	2.60	2.81			
25	3.02	2.70	27	3.10	3.14	25	2.93	3.05	27	2.54	2.75			
28	3.12	2.80	28	3.05	3.08	26	2.99	3.06	28	2.54	2.75			
29	3.14	2.90	29	3.01	3.03	29	2.93	3.03	29	2.56	2.77			
30	2.89	2.80				30	2.93	3.03	30	2.60	2.81			
31	2.98	2.77							31	2.57	2.78			

1/ Continued from September 1975 Feed Situation, Fds-258.

Table 19—Corn Belt Cattle Feeding

Selected expenses at current rates¹

Purchased during Marketed during	Aug. Feb. 75	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 75 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 76	Aug. Feb.	Sept. Mar.	Oct. Apr.
	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head
Expenses															
600 lb. feeder steer	220.20	182.94	185.64	172.26	169.62	158.70	161.76	172.50	190.14	213.00	220.86	208.20	206.04	225.54	228.54
Transportation to feedlot															
(400 miles)	5.04	5.04	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	152.55	148.05	157.05	148.50	147.60	137.70	128.70	121.05	120.60	119.70	120.60	122.40	133.20	124.20	115.20
Slage (1.7 tons)	38.71	37.93	40.26	39.47	41.62	40.17	38.05	37.11	37.23	36.70	35.68	35.12	37.93	36.86	35.36
30% protein supplement															
(270 lb.)	26.60	24.84	26.73	25.78	25.38	24.57	23.22	22.14	22.95	22.82	22.82	22.82	23.76	24.30	24.84
Hay (400 lb.)	7.05	7.10	7.55	8.16	9.80	10.10	9.80	10.16	10.30	10.05	9.20	8.70	9.10	9.55	9.70
Labor (4 hours)	9.44	9.44	9.84	9.84	9.84	9.52	9.52	9.52	8.40	8.40	8.40	8.40	8.76	8.76	8.76
Management ²	4.72	4.72	4.92	4.92	4.92	4.76	4.76	4.76	4.20	4.20	4.20	4.38	4.38	4.38	4.38
Vet medicine ³	2.80	2.84	2.86	2.89	2.91	2.90	2.89	2.88	2.92	2.95	2.98	2.99	3.00	3.03	3.02
Interest on purchase															
(6 mo.)	11.56	9.60	9.75	9.04	8.90	8.33	8.49	9.06	9.51	10.65	11.04	10.41	9.79	10.71	10.86
Power, equip., fuel, shelter, depreciation	12.93	13.13	13.22	13.37	13.44	13.52	13.48	13.42	13.61	13.74	13.88	13.94	14.01	14.14	14.07
Death loss (1% of purchase)	2.20	1.83	1.86	1.72	1.70	1.59	1.62	1.72	1.90	2.13	2.21	2.08	2.06	2.26	2.29
Transportation (100 miles)	2.21	2.21	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs	5.59	5.68	5.72	5.78	5.81	5.85	5.83	5.80	5.89	5.94	6.00	6.03	6.06	6.11	6.09
Total	504.95	458.70	476.34	452.67	452.48	428.65	419.06	421.06	438.59	461.22	468.81	456.23	469.03	480.78	474.05
Selling price/cwt. required to cover feed and feeder costs (1050 lb.)	42.39	38.18	39.74	37.54	37.53	35.36	34.43	34.57	36.31	38.31	38.97	37.83	39.05	40.04	39.39
Selling price/cwt. required to cover all costs (1050 lb.)	48.09	43.69	45.37	43.11	43.09	40.82	39.91	40.10	41.77	43.93	44.65	43.45	44.67	45.79	45.15
Feed cost per 100 lb. gain	49.98	48.43	51.46	49.31	49.87	47.23	44.39	42.32	42.46	42.06	41.84	42.01	45.33	43.31	41.13
Choice steers, Omaha	34.80	36.08	43.01	49.60	51.82	50.21	46.80	48.91	47.90						
Net margin/cwt.	-13.29	-7.61	-2.36	+6.49	+8.73	+9.39	+6.89	+8.81	+6.13						
Prices															
Feeder steer choice (600-700 lb., Kansas City/cwt.)	36.70	30.49	30.94	28.71	28.27	26.45	26.96	28.75	31.69	35.50	36.81	34.70	34.34	37.59	38.09
Corn/bu.	3.39	3.29	3.49	3.30	3.28	3.06	2.86	2.69	2.68	2.66	2.68	2.72	2.96	2.76	2.56
Hay/ton	35.25	35.50	37.75	40.75	49.00	50.50	49.00	50.75	51.50	50.25	46.00	42.75	45.50	47.75	48.50
Corn silage /ton	22.77	22.31	23.68	23.22	24.48	23.63	22.38	21.83	21.90	21.59	20.99	20.66	22.31	21.68	20.80
30% Protein supplement/cwt.	9.85	9.20	9.90	9.55	9.40	9.10	8.60	8.20	8.50	8.45	8.45	8.45	8.80	8.90	9.20
Farm labor/hour	2.36	2.36	2.46	2.46	2.46	2.38	2.38	2.38	2.10	2.10	2.10	2.10	2.19	2.19	2.19
Interest annual rate	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00	10.00	10.00	9.50	9.50	9.50
Transportation rate/cwt.															
100 mile	21	21	22	22	22	22	22	22	22	22	22	22	22	22	22
Marketing expenses ⁴	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	590	599	603	610	613	617	615	612	621	627	633	636	639	645	642

¹ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation.² Assumes one hour at twice the labor rate.³ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates.⁴ Average price received by farmers in Iowa and Illinois.⁵ Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb. hay.⁶ Average price paid by farmers in Iowa and Illinois.⁷ Converted from cents/mile for a 44,000 pound haul.⁸ Yardage plus commission fees at a midwest terminal market.

Table 20—Corn Belt Hog Feeding¹Selected costs at current rates²

Purchased during Marketed during	Aug. Dec.	Sept. Jan. 75	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 75 May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan. 76	Oct. Feb.
	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head	Dollars per head
Expenses:															
40 lb. feeder pig	19.44	18.75	24.10	21.13	25.75	30.10	35.75	39.75	43.05	44.00	44.65	44.10	46.75	58.81	56.55
Corn (11 bu.)	37.29	36.19	38.39	36.30	36.08	33.66	31.46	29.59	29.48	29.26	29.48	29.92	32.56	30.36	28.16
Protein supplement (130 lb.)	15.80	13.98	15.60	15.14	14.56	13.84	13.06	12.74	13.06	12.87	13.00	13.06	13.72	13.91	13.78
Labor & management (1.3 hrs.)	6.14	6.14	6.38	6.38	6.38	6.19	6.19	6.19	5.46	5.46	5.46	5.46	5.46	5.46	5.46
Vet medicine ³	1.40	1.42	1.43	1.45	1.45	1.46	1.46	1.45	1.47	1.49	1.50	1.51	1.51	1.53	1.52
Interest on purchase (4 mo.)	.68	.66	.84	.74	.90	1.05	1.25	1.39	1.43	1.47	1.49	1.47	1.48	1.86	1.79
Power, equip., fuel, shelter, depreciation ⁴	3.40	3.44	3.47	3.51	3.53	3.55	3.54	3.53	3.58	3.61	3.65	3.66	3.68	3.72	3.70
Death loss (4% of purchase)	.78	.75	.96	.85	1.03	1.20	1.43	1.59	1.72	1.76	1.79	1.76	1.86	2.35	2.26
Transportation (100 miles)	.46	.46	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.12	1.12	1.12	1.12	1.12	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscellaneous & indirect costs ⁵	.35	.35	.36	.36	.36	.36	.36	.36	.37	.37	.37	.38	.38	.38	.38
Total	86.86	83.26	93.13	87.46	91.64	93.03	96.12	98.21	101.24	101.91	103.01	102.49	109.03	120.00	115.22
	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.	Dollars per cwt.
Selling price/cwt. required to cover feed and feeder costs (220 lb.)	32.97	31.33	35.50	32.99	34.72	35.28	36.49	37.31	38.90	39.15	39.60	39.58	42.29	46.85	44.77
Selling price/cwt. required to cover all costs (220 lb.)	39.48	37.85	42.33	39.75	41.65	42.29	43.69	44.64	46.02	46.32	46.82	46.79	49.56	54.55	52.37
Feed cost per 100 lb. gain	29.49	27.87	29.99	28.58	28.13	26.39	24.73	23.52	23.63	23.41	23.60	23.88	25.71	24.59	23.30
Barrows and gilts⁷ markets/cwt.	39.93	38.93	39.61	39.52	40.69	46.44	51.19	57.17	58.10	61.23	59.47				
Net margin/cwt.	+45	+1.08	-2.72	-.23	-.96	+4.15	+7.50	+12.53	+12.08	+14.91	+12.65				
Prices:															
40 lb. feeder pig (So. Missouri)	19.44	18.75	24.10	21.13	25.75	30.10	35.75	39.75	43.05	44.00	44.65	44.10	46.75	58.81	56.55
Corn ⁷ (bu.)	3.39	3.29	3.49	3.30	3.28	3.06	2.86	2.69	2.68	2.66	2.68	2.72	2.96	2.76	2.56
29% protein supplement ⁸ /cwt.	12.15	10.75	12.00	11.65	11.20	10.65	10.05	9.80	10.05	9.90	10.00	10.05	10.55	10.70	10.60
Labor and management ⁹ /hr.	4.72	4.72	4.91	4.91	4.91	4.76	4.76	4.76	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Interest rate (annual)	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00	10.00	10.00	9.50	9.50	9.50
Transportation rate/cwt. 100 miles ⁷	.21	.21	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses ⁸	1.12	1.12	1.12	1.12	1.12	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	590	599	603	610	613	617	615	612	621	627	633	636	639	645	642

¹ Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. ² Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the

experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. ³ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. ⁴ Average price received by farmers in Iowa and

Illinois. ⁵ Average prices paid by farmers in Iowa and Illinois. ⁶ Assumes an owner-operator receiving twice the farm labor rate. ⁷ Converted to cents/cwt. from cents/mile for a 44,000 pound haul. ⁸ Yardage plus commission fees at a midwest terminal market.

Table 21.--Estimated costs and returns for market eggs 1/

Calendar quarters	Production costs		Wholesale, cartoned		Net returns
	all eggs		Grade A large eggs		
	Feed 2/	Total 2/	Total costs : 2/ 3/	14 metro : areas price 2/	
	Cents per dozen				
1973:					
I	23.7	36.2	52.6	56.7	4.1
II	27.0	39.5	55.9	56.4	0.5
III	37.6	50.1	66.5	73.0	6.5
IV	28.7	41.2	57.6	71.3	13.7
1974:					
I	31.2	45.6	63.6	72.3	8.6
II	27.5	41.9	59.9	52.1	-7.8
III	31.4	45.8	63.8	59.9	-3.9
IV	34.1	48.5	66.6	67.8	1.2
1975 4/:					
I	30.8	45.2	63.2	65.0	1.8
II	28.3	42.7	60.7	55.0	-5.7
III	29.3	43.7	61.7	61.9	0.2

1/ Based on secondary data and incomplete data from survey. Estimated by computerized formula. 2/ Weighted by monthly egg production less estimated eggs used for hatching. 3/ Based on farm cost converted to wholesale market values for Grade A large eggs. 4/ Preliminary. 5/ May not add across due to rounding.

Table 22.--Estimated costs and returns for broilers 1/

Calendar quarters	Production costs		Wholesale ready-		Net returns
	liveweight		to-cook		
	Feed <u>2/</u>	Total <u>2/</u>	Total costs : <u>2/ 3/</u>	9-city weighted : <u>average price 2/</u>	
					<u>2/ 3/ 5/</u>
</					

1/ Based on secondary data and incomplete data from survey. Estimated by computerized formula. 2/ Weighted by monthly broiler slaughter. 3/ Based on farm cost converted to wholesale market values for ready-to-cook broilers. 4/ Preliminary. 5/ May not add across due to rounding.

Table 23.--Livestock, poultry and milk-feed price ratios,
by months, 1971-75

Year	beginning	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Average
October														
HOG/CORN, U.S. Basis 1/														
1971		19.5	19.3	18.2	20.9	23.5	21.2	19.9	21.7	22.7	24.1	24.3	23.0	21.5
1972		23.0	22.3	20.8	22.3	25.4	27.9	24.7	21.9	18.7	20.3	21.0	20.4	22.4
1973		18.8	18.6	16.0	15.5	14.2	13.1	12.7	10.7	9.4	11.8	10.7	10.2	13.5
1974 2/		10.8	11.1	11.7	12.4	13.4	14.3	14.7	17.0	17.6	19.9	19.0	21.2	15.3
1975 2/		22.1												
BEEF-STEER/CORN, Omaha 3/ (REVISED SERIES)														
1971		28.3	29.0	27.6	28.5	29.5	28.6	27.6	28.1	30.8	31.0	29.5	27.1	28.8
1972		27.3	25.1	24.7	27.1	28.1	30.6	29.8	24.9	20.8	20.5	19.5	19.0	24.8
1973		17.9	16.7	15.8	17.4	15.7	15.5	16.7	16.1	14.2	13.7	13.1	12.0	15.4
1974 2/		10.9	10.9	11.1	11.8	12.5	13.1	15.0	17.6	18.2	17.2	15.0	16.6	14.2
1975 2/		17.4												
MILK/FEED, U.S. Basis 4/														
1971		1.84	1.88	1.85	1.82	1.81	1.78	1.72	1.69	1.66	1.68	1.72	1.75	1.77
1972		1.77	1.75	1.64	1.59	1.57	1.52	1.51	1.40	1.26	1.35	1.26	1.51	1.51
1973		1.57	1.62	1.57	1.53	1.51	1.49	1.51	1.45	1.36	1.29	1.16	1.21	1.44
1974 2/		1.21	1.22	1.20	1.25	1.33	1.38	1.36	1.36	1.36	1.40	1.41	1.54	1.34
1975 2/		1.60												
EGG/FEED, U.S. Basis 5/														
1971		6.9	7.2	8.2	7.1	7.0	7.6	6.5	6.4	6.4	7.0	6.9	7.7	7.1
1972		6.9	8.0	8.5	9.0	7.3	7.7	7.9	6.9	6.4	7.1	8.3	8.6	7.7
1973		8.2	8.6	8.5	8.8	8.4	7.5	7.0	6.2	5.8	6.2	5.7	6.7	7.3
1974 2/		6.5	6.6	7.2	7.1	7.2	7.6	6.5	6.6	6.3	6.4	6.7	7.5	6.9
1975 2/		7.1												
BROILER/FEED, U.S. Basis 6/														
1971		2.7	2.7	2.5	2.8	3.1	3.1	2.7	2.8	3.0	3.3	3.0	3.2	2.9
1972		2.9	2.7	2.6	2.9	3.1	3.5	3.9	3.3	2.9	3.4	4.0	3.5	3.2
1973		2.9	2.5	2.3	2.5	2.8	2.7	2.7	2.7	2.5	2.6	2.3	2.6	2.6
1974 2/		2.5	2.6	2.4	2.8	2.9	2.9	2.9	3.1	3.4	3.8	3.5	3.6	3.0
1975 2/		3.5												
TURKEY/FEED, U.S. Basis 7/														
1971		4.7	4.8	5.1	4.9	4.8	4.7	4.6	4.5	4.5	4.4	4.4	4.3	4.6
1972		4.3	4.5	4.4	4.0	3.7	4.1	4.8	4.2	3.8	3.9	4.3	4.9	4.2
1973		5.0	5.3	4.8	4.0	3.8	3.8	3.4	3.2	3.1	2.9	2.9	3.0	3.8
1974 2/		3.0	3.3	3.6	3.6	3.7	3.8	3.5	3.8	3.9	4.2	4.2	4.2	3.7
1975 2/		4.2												

1/ Number bushels of corn equal in value to 100 lbs. of hog liveweight. 2/ Preliminary. 3/ Based on price of beef-steers 900-1,100 pounds, choice instead of average grade all steers previously published. 4/ Pounds concentrate ration equal in value to one lb. whole milk. 5/ Number of lbs. of laying feed equal in value to one dozen eggs. 6/ Number of lbs. of broiler grower feed equal in value to one lb. broiler liveweight. 7/ Pounds of turkey grower feed equal in value to one lb. turkey liveweight.

Table 24.--Feed concentrate balance, number of animal units, and feed per unit, annual, 1970-75

Item	Year beginning					
	1970	1971	1972	1973	1974	1975
					<u>2/</u>	<u>3/</u>
	- - - - Million short tons - - - -					
<u>Supply</u>						
Carryover (beginning) <u>1/</u>	48.6	33.2	48.4	32.4	22.2	15.8
Production of feed grains:						
Corn	116.3	157.9	155.9	158.0	130.2	160.6
Sorghum	19.1	24.6	22.7	26.2	17.6	21.7
Oats	14.7	14.1	11.1	10.6	9.9	10.9
Barley	10.0	11.1	10.2	10.2	7.4	9.2
Total production	160.1	207.7	199.9	205.0	165.1	202.4
Imports of feed grains	.4	.5	.4	.4	.5	.5
Wheat fed	7.2	8.5	5.0	1.7	2.8	5.3
Rye fed	.4	.5	.5	.3	.2	.2
Byproduct feeds fed	34.2	34.0	33.3	34.4	32.7	34.8
Total supply of all concentrates	250.9	284.4	287.5	274.2	223.5	259.0
Concentrates fed (Oct.-Sept.)						
Corn	100.3	111.4	120.7	117.5	89.0	*99.9
Sorghum	19.1	19.4	18.5	19.6	12.2	*14.1
Oats	12.4	11.8	10.5	10.2	9.3	*9.6
Barley	6.5	6.5	5.6	5.4	4.0	*4.6
Wheat and rye	7.6	9.0	5.5	2.0	3.0	5.5
Oilseed meals	15.7	15.6	14.7	16.3	14.6	15.6
Animal protein feeds	3.2	3.3	2.9	2.9	3.1	3.1
Grain protein feeds	2.1	1.8	2.0	2.1	2.0	2.1
Other byproduct feeds	13.2	13.3	13.7	13.1	13.0	14.0
Total concentrates fed	180.1	192.1	194.1	188.9	150.2	168.5
<u>Carryover</u> (ending) <u>1/</u>	33.2	48.4	32.4	22.2	15.8	22.5
<u>Grain-consuming animal units</u> (GCAU's) <u>Mil.</u> **	80.0	80.2	79.4	78.5	67.4	72.0
<u>Concentrate supply per</u> <u>GCAU</u> (Tons)	3.14	3.55	3.62	3.49	3.32	3.60
<u>Concentrates fed per</u> <u>GCAU</u> (Tons) **	2.25	2.40	2.44	2.41	2.23	2.34
<u>Feed grains fed per</u> <u>GCAU</u> (Tons) **	1.73	1.86	1.96	1.94	1.70	1.78

1/ Corn and sorghum October 1; oats and barley July 1. 2/ Preliminary.

3/ Preliminary; estimates based on indications in October 1975. *Midpoint of range.

**Year beginning October.

Table 25.--The soybean meal situation

Month	SOYBEANS											
	Crush			Exports			Stocks at processor's (1st of month)			Prices, monthly average, No. 1 yellow, Decatur		
	Cumulative											
	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/
	Million bushels											
October	67	63	62	54	47	32	12	90	94	3.30	5.62	8.30
November	138	134	122	116	121	95	91	126	123	3.61	5.57	7.54
December	207	207	183	165	179	136	111	116	102	4.07	5.92	7.23
January	277	282	246	212	227	186	117	119	83	4.46	6.19	6.38
February	342	352	300	267	284	219	137	123	79	5.80	6.35	5.69
March	406	428	361	326	342	257	133	112	65	6.15	6.29	5.60
April	465	498	418	372	404	293	124	96	55	6.52	5.59	5.55
May	526	570	471	413	447	318	108	82	44	8.94	5.47	5.23
June	579	639	524	439	483	332	78	66	38	10.84	5.51	5.16
July	623	711	584	453	510	303	58	57	35	8.47	7.11	5.60
August	670	780	648	464	531	396	31	42	27	9.00	7.76	6.02
September	711	834	703	472	554	420	14	23	27	6.10	7.64	5.57
Season Total	711	834	703	472	554	420	3/60	3/171	3/186	6.44	6.25	6.16
	SOYBEAN MEAL											
	Production			Domestic use 4/			Exports			Prices, monthly average, 44% Decatur		
				Cumulative								
	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/	1972/73 : 1/	1973/74 : 1/	1974/75 : 2/
	Million tons											
October	1.56	1.46	1.47	1.28	1.11	1.06	.29	.30	.41	109	160	168
November	3.22	3.15	2.92	2.49	2.30	2.06	.76	.79	.81	123	167	141
December	4.84	4.86	4.35	3.62	3.44	3.15	1.19	1.31	1.18	174	192	143
January	6.50	6.61	5.84	4.72	4.78	4.13	1.77	1.77	1.67	188	172	129
February	8.02	8.27	7.12	5.73	5.85	5.05	2.27	2.32	2.04	219	160	117
March	9.53	10.06	8.55	6.74	6.98	6.18	2.77	2.89	2.32	200	147	118
April	10.89	11.70	9.92	7.68	8.11	7.11	3.19	3.43	2.85	203	117	122
May	12.34	13.40	11.17	8.73	9.29	8.16	3.60	3.86	3.07	315	109	119
June	13.57	15.03	12.42	9.51	10.26	9.12	4.04	4.43	3.39	412	100	121
July	14.61	16.73	13.83	10.35	11.62	10.29	4.24	4.82	3.66	311	138	124
August	15.72	18.33	15.36	11.14	12.80	11.44	4.56	5.23	4.03	285	156	134
September	16.71	19.67	16.66	11.97	13.85	12.51	4.74	5.50	4.30	208	138	134
Season Total	16.71	19.67	16.66	11.97	13.85	12.51	4.74	5.50	4.30	229	146	131

1/ Preliminary.

2/ Season total based on October 1975 indications.

3/ Stocks in total positions.

4/ From processing plants.

Table 26.--High-protein feed: Quantity available for feeding and high-protein animal units, 1969-75 1/

Year beginning October	Quantity available for feeding (in terms of 44% protein soybean meal equivalent)					High-protein animal units	Per animal unit
	Oilseed	Animal	Grain		Total		
	meal	protein	protein*				
		1,000 tons				Million	Pounds
1969	15,311	3,444	976		19,731	105.2	375
1970	15,227	3,539	1,095		19,861	107.6	369
1971	15,093	3,616	1,008		19,717	107.2	368
1972	14,131	3,059	1,134		18,324	105.5	347
1973	15,799	3,012	1,202		20,013	104.1	384
1974 2/	14,200	3,300	1,100		18,600	94.4	394
1975 proj. 3/	15,275	3,285	1,160		19,720	99.4	397

1/ Excludes urea and other nitrogenous compounds.

2/ Preliminary.

3/ Based on October 1975 indications.

*Revised; adjusted for exports of corn gluten feed and meal.

Table 27.--Processed feeds: Estimated use for feed, 1969-75 1/

Feed	Year beginning October						
	1969	1970	1971	1972	1973	1974 2/	1975 proj. 3/
				1,000 tons			
HIGH-PROTEIN							
Oilseed meal							
Soybean 4/	13,582	13,467	13,173	11,972	13,854	12,508	13,450
Cottonseed	1,794	1,693	1,885	2,225	2,096	1,846	1,600
Linseed	182	258	264	212	184	94	125
Peanut	122	173	174	180	130	152	450
Copra	83	99	100	100	---	---	---
Total	15,763	15,690	15,596	14,689	16,264	14,600	15,625
Animal proteins							
Tankage and meat meal	2,014	2,039	1,889	1,739	1,854	1,950	1,850
Fish meal and solubles	567	609	752	462	350	436	500
Commercial dried milk products	230	260	330	330	315	375	750
Noncommercial milk products	350	330	310	350	350	365	750
Total	3,161	3,238	3,281	2,881	2,869	3,126	3,100
Grain protein feeds							
Gluten feed and meal*	1,000	1,236	1,067	1,262	1,361	1,300	1,300
Brewers' dried grains	361	361	369	361	348	340	375
Distillers' dried grains	428	382	404	428	458	330	425
Total	1,789	1,979	1,840	2,051	2,167	1,970	2,100
OTHER							
Wheat millfeeds	4,633	4,499	4,364	4,327	4,332	4,486	4,500
Rice millfeeds	490	436	479	442	467	575	600
Dried and molasses beet pulp	1,675	1,509	1,570	1,566	1,375	1,250	1,550
Alfalfa meal	1,545	1,584	1,568	1,799	1,550	1,565	1,600
Fats and oils	545	570	631	528	588	750	750
Molasses, inedible	3,450	3,550	3,725	3,930	3,650	3,300	3,900
Miscellaneous byproduct feeds 5/	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Total	13,438	13,248	13,437	13,692	13,062	13,026	14,000
Grand Total	34,151	34,155	34,154	33,313	34,362	32,722	34,825

1/ Adjusted for stocks, production, foreign trade and nonfeed uses where applicable.

2/ Preliminary.

3/ Based on October 1975 indications.

4/ Includes use in edible soy products.

5/ Allowance for hominy feed, oat millfeeds and screenings.

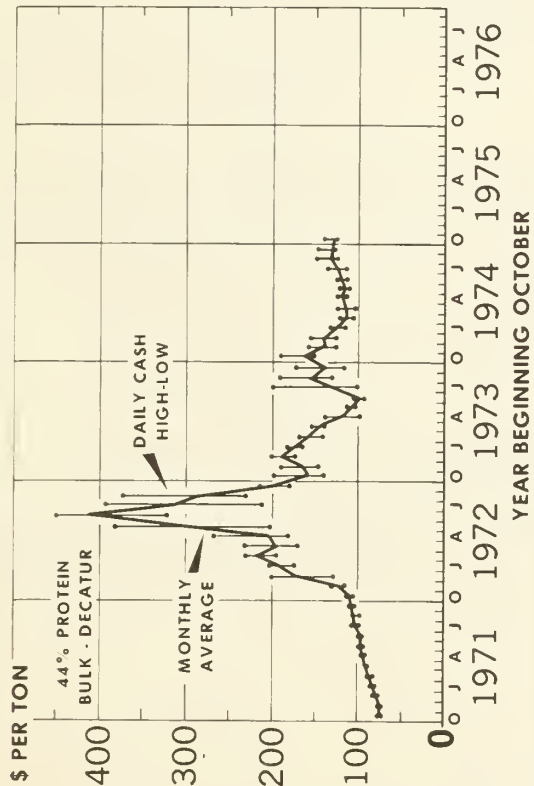
*Adjusted for export data which are available beginning January 1972.

Table 28.--Market trends, selected feeds and corn products

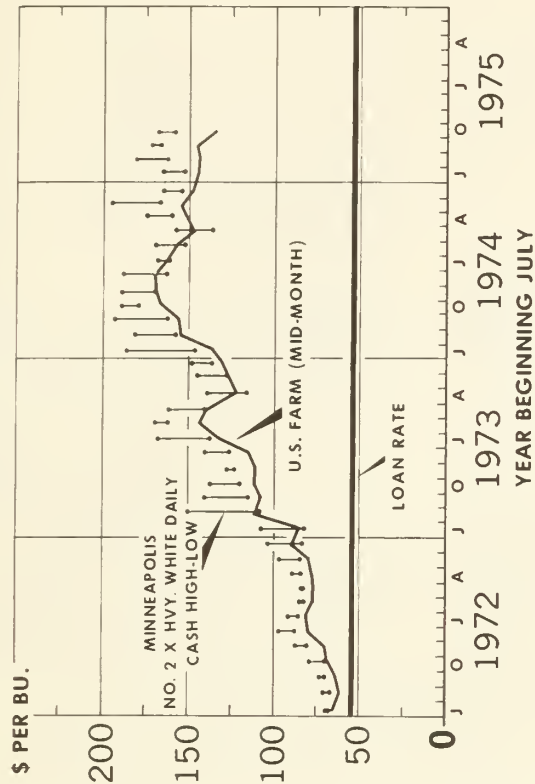
Item	Unit	1973/74												1974/75											
		Season:	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Season										
WHOLESALE, MOSTLY BULK 1/																									
Soybean meal, 44%, solvent, Decatur	\$ per ton:	146	168	141	143	129	117	118	122	118	121	124	134	134	131										
Soybean meal, 49-50%, solvent, Decatur	"	161	180	154	156	138	127	126	132	129	140	134	144	144	142										
Cottonseed meal, 41%, expeller, Memphis	"	131	141	125	140	122	100	96	114	106	116	123	132	---	120										
Linseed meal, 34%, solvent, Minneapolis	"	128	144	130	122	115	104	111	147	132	128	128	130	127	127										
Peanut meal, 50%, S.E. mills	"	*	159	141	138	135	122	108	105	105	122	129	140	146	129										
Meat meal, 50%, Chicago	"	188	170	152	148	148	138	132	145	140	148	152	167	154	149										
Tankage digester, 60%, Chicago	"	202	180	164	159	158	150	142	155	150	158	162	177	164	160										
Fishmeal, 65% domestic, East Coast	"	381	299	299	275	256	229	220	240	225	219	238	251	257	251										
Gluten feed, 21%, Chicago	"	90	100	104	93	90	80	77	88	80	82	84	91	89	88										
Gluten meal, 60%, Chicago	"	230	222	218	204	198	181	192	210	211	212	215	222	229	209										
Brewers' dried grains, 24%, Milwaukee	"	99	111	120	109	98	71	75	92	72	74	86	92	87	91										
Distillers' dried grains, 28%, Cincinnati	"	114	124	148	136	128	116	102	99	100	102	108	119	123	117										
Feather meal, Jackson, Mississippi	"	203	202	---	190	195	171	160	182	169	151	151	158	162	172										
Wheat bran, Kansas City	"	91	109	91	108	91	75	80	80	71	78	78	81	85	86										
Wheat middlings, Kansas City	"	91	109	91	108	91	75	80	80	71	78	78	81	85	86										
Rice bran, Arkansas	"	78	84	91	92	92	73	64	61	59	70	74	78	76	76										
Hominy feed, Chicago	"	92	116	115	103	93	75	75	88	78	80	80	92	93	90										
Alfalfa meal, 17%, dehydr., Kansas City	"	91	92	89	87	77	74	74	76	77	75	77	82	83	81										
Blackstrap molasses, New Orleans	"	69	67	64	62	60	58	51	50	46	43	41	39	38	52										
Molasses beet pulp, Los Angeles	"	106	130	131	127	118	109	96	85	87	85	91	105	118	107										
Animal fat, Chicago	\$ per lb.:	15.4	13.7	13.8	10.2	10.6	11.5	10.5	11.3	12.6	12.8	12.2	13.4	13.6	12.2										
Urea, 42%, N., Fort Worth	\$ per ton:	141	189	196	199	206	206	206	206	206	206	195	195	195	200										
Corn, No. 2, white, Kansas City	\$ per bu.:	3.66	5.70	5.27	5.13	4.36	4.19	3.88	3.89	4.02	3.33	3.00	3.24	3.10	4.09										
PRICES PAID, U.S. BASIS 2/																									
Soybean meal, 44%	\$ per cwt.:	10.60	11.30	10.70	10.30	9.86	9.10	8.37	8.64	8.54	8.48	8.57	8.88	9.24	9.33										
Cottonseed meal, 41%	"	10.21	10.40	10.20	9.94	9.83	9.21	8.69	8.67	8.71	8.72	8.79	9.03	9.27	9.29										
Wheat bran	"	7.09	7.88	7.79	7.74	8.00	7.60	7.11	7.25	7.21	7.12	7.06	7.21	7.11	7.42										
Wheat middlings	"	7.04	7.90	7.78	7.69	7.88	7.39	6.98	7.10	7.01	6.93	6.88	7.03	7.01	7.30										
Broiler grower feed	\$ per ton:	163	185	183	180	176	167	161	164	161	162	161	163	164	169										
Laying feed	"	148	168	167	164	160	151	143	146	145	144	145	150	149	153										
Turkey grower feed	"	167	189	187	184	178	168	161	165	164	165	163	168	170	172										
Chick starter	"	170	191	189	186	181	171	162	164	162	163	164	168	168	172										
Dairy feed, 16%	"	132	150	151	149	148	137	130	134	132	130	130	135	135	138										
Beef cattle feed, 30% and over	\$ per cwt.:	7.98	8.73	8.80	8.66	8.60	8.17	7.78	7.89	7.82	7.87	7.91	8.11	8.18	8.21										
Hog feed, over 29%	"	11.22	11.70	11.50	11.10	10.70	10.20	9.63	9.93	9.86	9.82	9.97	10.30	10.50	10.43										
Alfalfa hay, baled	\$ per ton:	63	64	65	65	67	66	67	6	70	67	65	64	64	66										
Stock salt	\$ per cwt.:	2.52	---	2.67	---	---	---	2.78	---	---	---	2.87	---	---	2.77										
CORN PRODUCTS, WHOLESALE 3/																									
Corn meal, New York	\$ per cwt.:	---	---	---	16.00	16.00	16.00	16.00	16.00	15.38	15.38	14.70	14.50	14.70	15.47										
White	"	---	---	---	10.05	9.58	9.58	9.58	9.32	9.35	9.71	9.81	10.56	9.97	9.72										
Yellow	"	---	---	---	9.42	9.17	8.87	8.87	8.69	8.49	9.06	9.23	9.88	9.77	9.26										
Grits (brewers) New York	\$ per lb.:	---	10.41	---	13.32	13.09	12.62	12.62	12.62	12.64	12.65	12.36	13.23	13.36	12.85										
Syrup, Chicago West	"	---	---	---	22.25	23.15	23.15	23.15	23.29	22.20	18.52	16.90	17.49	17.41	20.75										
Sugar (dextrose), Chicago West	"	---	---	---	---	---	---	---	---	---	---	---	---	---	---										
High-fructose (dry weight tank car)	"	---	---	---	---	---	---	---	---	---	---	---	---	---	---										
Chicago West	"	---	---	---	32.77	32.77	32.77	29.64	2.90	23.05	18.68	17.84	21.54	20.51	25.75										

Sources: 1/ Feed Market News, AMS, USDA, except urea which is from Feedstuffs, Miller Publishing Co., Minneapolis, Minnesota. 2/ Agricultural Prices, SRS, USDA.
 3/ Milling and Baking News, Kansas City, Mo. *Insufficient quotes for season.

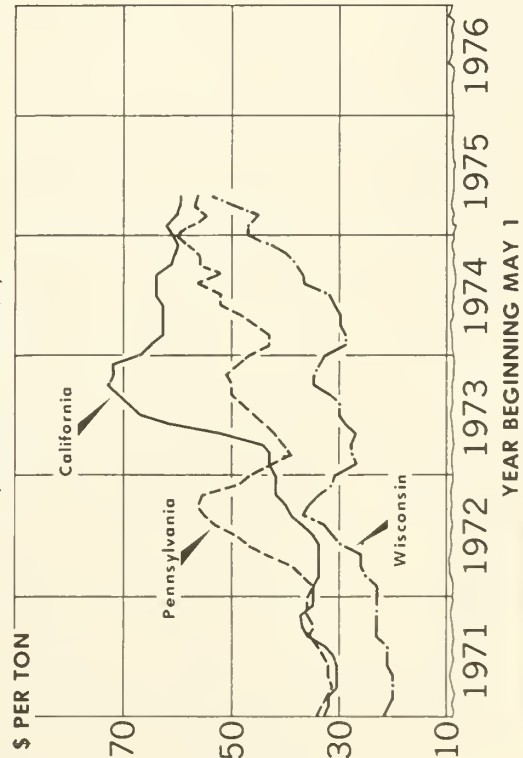
SOYBEAN MEAL PRICES



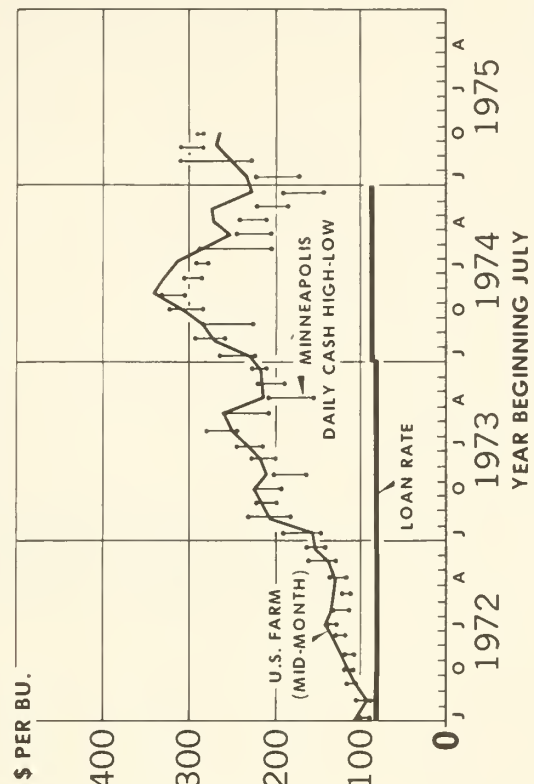
OAT PRICES



ALFALFA HAY PRICES (RECEIVED BY FARMERS)



BARLEY PRICES



Selected livestock and poultry numbers

Class	Date	1973	1974	Change
		<i>Million head</i>	<i>Million head</i>	<i>Percent</i>
Hogs and pigs U.S.	June 1	60.0	59.4	-1
Cattle U.S.	July 1			
On feed		13.1	10.4	-21
Dairy cows		11.4	11.2	-2
Other cattle		106.6	117.4	+10
Total		131.1	139.0	+6
Hens and pullets ¹	July 1	283	278	-2
Broilers slaughtered ² ..	July-Sept.	746	756	+1
Hens and pullets ¹	Oct. 1	291	277	-5
Broilers slaughtered ² ..	Oct.-Dec.	715	651	-9
Hogs and pigs U.S.	Dec. 1	61.1	55.1	-10
		1974	1975	Change
		<i>Million head</i>	<i>Million head</i>	<i>Percent</i>
Cattle U.S.	Jan. 1			
On feed		13.6	10.2	-25
Dairy cows		11.3	11.2	-1
Other cattle		102.8	110.4	+7
Total		127.7	131.8	+3
Hens and pullets ¹	Jan. 1	295	282	-4
Broilers slaughtered ² ..	Jan.-Mar.	724	671	-7
Hogs and pigs (14 States)	Mar. 1	48.5	40.3	-17
Cattle on feed (23 States)	Apr. 1	12.3	8.5	-31
Hens and pullets ¹	Apr. 1	292	277	-5
Broilers slaughtered ² ..	Apr.-June	770	755	-2
Hogs and pigs U.S.	June 1	59.4	48.2	-19
Cattle U.S.	July 1			
On Feed		10.4	8.8	-15
Dairy cows		11.2	11.1	-1
Other		117.4	120.2	+2
Total		139.0	140.1	+1
Hens and pullets ¹	July 1	280	269	-4
Broilers slaughtered ² ..	July-Sept.	756	774	+2
Hogs and Pigs (14 States)	Sept. 1	50.2	41.5	-17
Cattle on feed (23 States)	Oct. 1	9.2	9.3	+2
Hens and pullets ¹	Oct. 1	279	277	-1
Broilers placed for marketing in ²	Oct.-Dec.	637	715	+12

Meat, milk and egg production

Period	Fed beef ¹	Pork	Broilers and turkeys	Milk	Eggs
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Billion pounds</i>	<i>Million pounds</i>
1972/73					
Oct.-Dec.	4,410	3,507	2,592	27.7	2,212
Jan.-Mar.	4,210	3,262	2,007	28.6	2,186
Apr.-June	3,990	3,178	2,269	31.8	2,208
July-Sept.	3,800	2,791	2,618	28.4	2,130
Total	16,410	12,738	9,486	116.5	8,736
1973/74					
Oct.-Dec.	4,180	3,347	2,680	26.6	2,185
Jan.-Mar.	3,910	3,378	2,173	28.0	2,186
Apr.-June	4,115	3,531	2,458	31.5	2,193
July-Sept.	3,510	3,243	2,725	29.0	2,118
Total	15,715	13,499	10,036	115.1	8,682
1974/75					
Oct.-Dec.	3,375	3,431	2,397	26.9	2,122
Jan.-Mar.	3,400	3,044	1,999	28.1	2,098
Apr.-June	3,040	2,914	2,251	31.4	2,078
July-Sept.	3,000	2,500	2,705	28.7	2,095
Total	12,815	11,889	9,352	115.1	8,393

¹ Estimated from Commercial Slaughter

Planted Acreage

	1973	1974	Indicated 1975 ¹
	<i>Million Acres</i>	<i>Million Acres</i>	<i>Million Acres</i>
Corn	71.9	77.7	77.7
Sorghum	19.2	17.7	18.2
Oats	19.1	18.1	17.4
Barley	11.2	9.1	9.6
Total	121.4	122.6	122.9
Wheat			
Winter	43.2	52.4	55.8
Durum	3.0	4.1	4.6
Other Spring	12.8	14.7	14.0
Total	59.0	71.2	74.4
Soybeans	56.7	53.6	54.6
Upland Cotton	12.5	13.7	10.1
Hay ²	62.1	60.5	61.5
Total, grand	311.7	321.6	323.5

¹ Based on August 1975 indications. ² Harvested acreage.

¹ Laying age. ² Under Federal inspection.

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NOVEMBER 1975



OUTLOOK '76

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UNITED STATES DEPARTMENT OF AGRICULTURE
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